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FINANCIAL TIMES

No. 27,424 Thursday December 1 1977 ** 12p

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NEWS SUMMARY

GENERAL BUSINESS

Appeal 3 PM by fire officers

Fire officers yesterday appealed the Prime Minister to seek an end to the strike, now into its third week, as they went ahead with efforts to gain the support of other representatives of the National Association of Fire Officers, most of whose members are acting advisers to troops at bases, and a meeting of Government employers, chief officers and firemen.

Phone box calls may cost 5p

A programme to convert Britain's telephone coin boxes and private pay-phones from 5p minimum would take the Post Office said. Profit for the increase would be in 1978.

Back

Editors of the Daily should be back on the job tomorrow. Journalists drop their claim for a £3,000 rise after promised to resume original offer worth £1,000.

Diets

Who wrote the diets and the diets used in the diets included the V.I.P.s, the Rolls-Royce, Goodbye and Conduct Unbecom-

Pills 'drugged'

Hands of schoolchildren are drugs to stop them being by Dr. Steven Box, sociologist at the University of Kent.

ence move

Expecting a deficit of £1.4bn by July - is talks with the Home about raising substantially defence fee. Page 7; Editorial next Page 22

ow for hotels

at seaside hotels in - traditionally the peak - was the lowest recorded since the English Board began surveys in 1964. Weather was blamed.

nce warning

Research in universities by abstract equipment - promotion prospects. - president, told the - society. Page 8

spots

Mr. Gold: A canary - has such a power - that he has been evicted - of Sydney flats for - pollution.

are truth: Strippers in

are threatened to strike - of competition - shows - television waves on - TV stations.

ers' town haul: The mayor

of Hurstville, Iowa, - sold the town for \$387,000. - was a burden. I wanted to - Mr. Laurel - was 70.

age torture: Neighbours of

of a restaurant, who - for 10 years about a - kitchen fan, were given the - it could not be repaired - use of restrictions imposed - "Gang of Four".

en's tip: The chief constable

of York-shire was inundated - complaints from women - he banned them from wear - gloves on the beat.

PRICE CHANGES YESTERDAY

10p coins unless otherwise indicated	Lucas	208	+ 5
10p coins unless otherwise indicated	MEPC	118	- 2
10p coins unless otherwise indicated	Manfield Brewery	188	- 6
10p coins unless otherwise indicated	Reed & Smith	435	- 17
10p coins unless otherwise indicated	Smith (W.R.) A.	750	+ 20
10p coins unless otherwise indicated	Viking Resources	102	- 5
10p coins unless otherwise indicated	Zarow	520	- 18
10p coins unless otherwise indicated	Oil Exploration	250	+ 10
10p coins unless otherwise indicated	Anglo American	250	+ 10
10p coins unless otherwise indicated	De Beers Ltd.	307	+ 10
10p coins unless otherwise indicated	North Broken Hill	187	- 4
10p coins unless otherwise indicated	RTZ	203	+ 8
10p coins unless otherwise indicated	Wes. Rand Cons.	205	+ 8
10p coins unless otherwise indicated	Zandpot	390	+ 7
10p coins unless otherwise indicated	FALLS		
10p coins unless otherwise indicated	Amec Davies	252	- 8
10p coins unless otherwise indicated	Carroll Malt...	221	- 22
10p coins unless otherwise indicated	Donhill (A.)	208	- 22
10p coins unless otherwise indicated	Johnson Matthey	113	- 40

Shipyard men may fight order switch from Swan Hunter

By IAN HARGREAVES AND CHRISTIAN TYLER IN LONDON AND WALLSEND

Attempts by outfitters at Swan Hunter to persuade workers at other yards not to handle the £50m. Polish order, lost because of their own overtime ban, appeared to be having some success last night.

Shipyard workers at Govan Shipbuilders, which was told yesterday it could build one of the 16,500-ton bulk carriers forfeited by Swan Hunter, issued a statement at the Tyne's problems should be resolved on the Tyne. Govan has already started work on ten 400-ton ships in the contract.

Mr. Jimmy Airie, the stewards' convenor, added: "Everyone should get round the negotiating table in order to resolve their problems in the interests of the shipbuilding industry."

There have been little more than an attempt to bring pressure on British shipbuilders to encourage negotiations on the pay differential issue behind the overtime ban. The outfitters demand about 27 a week extra to bring them into line with boiler makers.

The stewards' suggestions from other yards in the North-East likely to profit from Swan Hunter's loss that shipyard workers might be unhappy about taking work from fellow union members, and on the "good behaviour" terms demanded by British Shipbuilders.

Underland Shipbuilders, likely to be named today as the recipient of an order for one or two of the bulk-carriers, union officials representing boiler makers and engineers said there was a "realistic" acceptance of the order.

Underland does not have the same pay differential problem as Swan Hunter.

British shipbuilders' demand for assurances of disruption-free production of the Polish ships were described as "reprehensible" by Mr. Henry Wilkinson, district secretary of the Amalgamated Union of Engineering Workers.

All does not seem to be lost for Swan Hunter. Mr. Ken Griffing, deputy chairman of British Shipbuilders, said in a radio interview last night that some of the ships might still be given to the Tyne-side yard.

He disclosed that the Corporation asked the Poles yesterday to delay the final specification of the ships involved in the contract beyond the agreed date of next Monday.

Swan Hunter workers would give assurances about working normally on the Polish ships, not all the ships would be re-allocated.

Mr. Griffing said he was being considered for a job in the E115m. Polish contract, Smith's Dock, on Tyneside, was caught up in labour trouble associated with the Swan Hunter confrontation.

About 250 men at the dock's Haverhill yard staged a 24-hour sympathy stoppage though work continued as normal at the South Bank yard.

Swan Hunter management, bitterly disappointed to see the orders slipping away, made a decision to start issuing threatened 90-day redundancy notices to other workers.

Mr. John Steele, chief executive, returned to the Tyne last night after talks in London, and an announcement may follow in the next few days.

Between 700 and 800 jobs.

As the chairman of their shop stewards' committee, Mr. Dave Hanson, said, "They came straight to our yard for this guarantee when the trouble was, I think they are holding a gun to our head."

"But I did not realise the importance of the issue until Mr. Casey [chief executive of the State-owned concern] came up here."

A lot of men still didn't realise it at the end of last week. We thought there was a bit of kidding.

Vorster heads for poll victory

BY QUENTIN PEEL

JOHANNESBURG, Nov. 30. THE RULING National Party was heading for a crushing victory in the South African General Election tonight, with record majorities gained in the first results to be announced.

But the liberal Progressive Federal Party recorded the first gain in a key urban seat. Early results suggested an increasing polarisation of the all-white electorate, with the middle-of-the-road New Republic Party soundly defeated in two important seats.

The extreme Right-wing Herstigte Nasionale Party failed to make any impression on the National Party in the early results, losing its deposits in its first five seats announced, giving the ruling party record majorities.

The results showed that generally the turnout was low in safe Nationalist seats where the only challengers were Herstigte candidates, whereas polls were high in marginal urban seats which the Nationalists hope to gain from the Opposition.

In the most significant early announcement the constituency of Hillbrow in the heart of Johannesburg, the Progressive Federal Party had an expected gain, with the National Party second. The New Republic Party, whose predecessor, the United Party, formerly held the seat, came a poor third.

In a second Progressive seat, Rondebosch, Cape Town, Dr. F. Van Zyl Elshert, the sitting MP, had a majority more than double his previous vote in the New Republic.

The heaviest turnout was in Natal, where National Party, Progressive Federal Party and New Republic are fighting for the lion's share of seats formerly held by the United Party. A high poll was predicted in the constituencies of Eastern Cape, Cape Peninsula, and Witwatersrand, where the Nationalists are expected to make gains at the expense of the divided Opposition.

The end result is in no doubt, with only the ruling party fighting enough seats to form a Government.

Mr. John Vorster, the Prime Minister, was among the first to vote in the capital, Pretoria, today, where he was greeted by his chair from Pretoria.

Continued on Back Page

CARTER PROMISES TAX CUTS NEXT YEAR

U.S. economic index shows rising trend

BY DAVID BELL WASHINGTON, Nov. 30.

THE KEY index of leading U.S. economic indicators, which is designed to predict future movements in the American economy, rose a solid 0.7 per cent, in October giving a further indication that the economy may once again be picking up steam.

Today's encouraging rise—the fourth in a row—coincided with a firm promise from President Carter at a Press conference that next year would see "substantial" tax cuts. And he also pledged that some of the more controversial parts of the Administration's tax reform package would be postponed.

Bitter
President Carter said the size of the tax cuts could not be determined until Congress had completed work on the Energy Bill—still the subject of bitter argument on Capitol Hill—and the Social Security Bill, which provides for higher social security contributions to strengthen the system.

Mr. Carter said the leaders of both Houses of Congress shared his conviction that a tax cut was needed and that it should be expedited early next year. The President was clearly trying to extend some sort of olive branch to the business community. But he did not offer to abandon entirely his tax reform proposals. Rather, he said, he would delay some of the more controversial proposals which had little "monetary effect."

The President said that the Administration remained concerned about the size of the U.S. trade deficit. But it would be difficult to make much impact on

it until the United States began to cut its oil imports and other countries started to import more when their economies began to improve.

He said latest estimates suggested that the underlying U.S. deficit was about \$2.4bn. a month.

Although there is still considerable concern about the underlying strength of the U.S. economy, the rise in the index of leading indicators is encouraging news for the Administration.

The U.S. Commerce Department said today that it suggested industrial production and employment would improve in the months ahead.

In the first three months of this year, the index rose an average 0.8 per cent. It climbed 1.9 per cent in the second quarter and 1 per cent in the third. These increases are considered a clear sign that the economy is moving in the right direction even if they do not compare with gains of 2.3 to 5.6 per cent in earlier periods when the economy was growing much more vigorously.

Capital

Seven of the 10 sets of statistics that are fed into the index improved in October.

However, one of the two that declined was contracts for plant and equipment. This reflects the Administration's continuing concern about capital investment prospects for next year. Stock prices also fell.

Carter advised to underpin steel.—Back Page

Europe poll vote postponed to bolster Liberal leader

BY RICHARD EVANS, LOBBY EDITOR

SENIOR Ministers have decided to postpone the crucial vote on the Bill proposing direct elections to the European Parliament until the New Year in an attempt to help Mr. David Steel's position as Liberal Party leader and to maintain the Lib-Lab pact.

To the surprise and anger of the Conservatives who are anxious for the maximum progress to be made on the Bill in order that the target date for elections of next May or June of the pact if the Commons can be met, Mr. Michael Foot, Leader of the Commons will announce today that there will be a committee stage on the Bill next week.

This means that there is virtually no prospect of the key vote on the method of election taking place before the Commons rises early for the Christmas recess on December 16.

It had been widely assumed that Ministers were anxious to see the Commons to reach a decision on the choice of electoral systems before Christmas so that a necessary quillotine motion could be tabled.

The change of tactic, agreed by Mr. Callaghan, follows in the Liberal Party pressure on Mr. Steel to ensure that a majority of Labour MPs support the regional list system of proportional representation, rather than the Westminster simple majority system.

The Liberal Party Council, which met last week-end, decided to support the regional list system, but Mr. Steel is called to reconsider the future of the pact if the Commons can be met, Mr. Michael Foot, Leader of the Commons will announce today that there will be a committee stage on the Bill next week.

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on PR is not promising—only 23 Labour MPs voted for PR for the Scottish Assembly compared with 166 against—and the signs are that many more MPs would vote for first past the post rather than for the regional list.

But Ministers claim to detect a movement towards a regional list, not necessarily because of support for PR but because backbenchers are beginning to realize that the Lib-Lab pact keeping the Lib-Lab minority Administration in office could be in real danger.

The hope is that a delay of several weeks could give time for more pressure to be exerted on wavering MPs so that the Labour vote for PR is not a derisory one.

Mr. Steel has urged Mr. Callaghan to try to ensure virtually all the payroll vote of Ministers—about 100-plus at least 40 more backbenchers. The Prime Minister has already declared his intention of voting for PR, but as there will be free vote for all MPs there are no sanctions he can bring to bear.

Racial deputy chairman resigns

BY MARGARET REID

MR. OLIVER PRENN, deputy chairman of Racial Electronics, who earlier this week admitted to a £4m. bribe scandal, has resigned from the parent company's Board and from the Boards of all Racial subsidiaries with which he was associated.

Mr. Prenn has resigned from the parent company's Board and from the Boards of all Racial subsidiaries with which he was associated.

On Tuesday, the court, where the trial is taking place to discuss evidence he had given last week about commissions to Sir Shapoor Reporter, an Iranian business adviser and friend of the Shah, for assistance over the £4m. order.

Mr. Prenn admitted that he had misled the jury over some details involved in the case of £255,000 which had been paid to Sir Shapoor for his services to the Racial group.



MR. PRENN: admitted misleading jury.

Earlier in the trial, reference was made to a £100m. commission paid to Sir Shapoor in connection with the sale of Racial Chieftain tanks to Iran of which supplied radio equipment.

Before the court, executives, charged with former Racial giving nearly £25,000 to a former military adviser to the Defence Ministry, who is charged with corruptly

At Mr. Prenn's Kensington home last night, it was said that Mr. and Mrs. Prenn were out for the evening and could not be reached for comment.

Dr. John Cronin, the Labour MP for Loughborough and a director of Racial Electronics, said: "Mr. Prenn resigned entirely voluntarily."

Mr. Prenn's family company, Controls and Communications, built up by his father Daniel, was sold to Racial—one of Britain's fastest growing companies and a major exporter of military radio equipment—in 1969, against an issue of shares. Mr. Prenn had, since 1974, been deputy chairman of the group. The last accounts show him as holding on March 31, 1977, 681,154 shares. It was notified that he sold 40,000 shares on September 6.

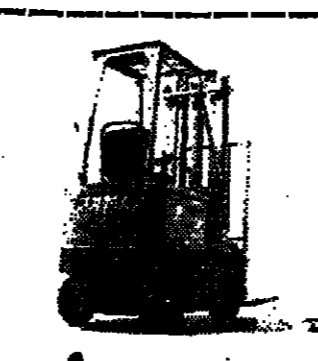
Racial's profit figures for the six months to September 30 are due to be announced today. Last night the shares were up at 210p, compared with a 1977 range of 118p to 270p.

Court hearing Page 7

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2 LOMBARD

Some people like it here

BY GEOFFREY OWEN

MR. GEORGE BALL, former Under Secretary of State and now an investment banker on Wall Street, was this week reported as saying that doing business in the U.K. was "very difficult."

Now there is no denying that this upsurge is taking place and that some European companies which are making takeovers or putting up new factories in the U.S. may be influenced in part by the desire to find a more congenial climate, where unions understand what capitalism is all about, and worker participation is regarded by most people as an outlandish fad.

New mood

Apart from the celebrated engine plant which Ford is to build in South Wales, a number of American companies have been quietly—or in one or two cases not so quietly—trying to buy up medium-sized British manufacturing businesses, some of the bids are listed in the table.

There have always been some American companies, of which Cummins and Caterpillar are two notable examples, which have been investing steadily in the U.K. and do not appear to have been particularly affected by changes in sentiment back in the U.S.

Changes of mind

Some disinvestment is still taking place. One of the irritating habits of American conglomerates is that they are prone to change their minds about which bits of their sprawling empires should be regarded as central or peripheral.

Table with 2 columns: Bidder, Bid Amount, and Target Company. Includes entries like Seagram/Glenlivet Distillers, Regis Paper/Reed and Smith, etc.

BUSINESS AND THE COURTS

The Advocate and the bananas

A. H. HERMAN, Legal Correspondent

THE ROLE of the Advocate practice often means the development of completely new legal concepts concerning employment, trade, patents and trademarks as well as all sorts of agreements between enterprises.

Yet the complaint that there is no possibility of challenging any new elements introduced by the Advocate General is not entirely justified, as Mr. Ivo Van Bael and M. Jean-Francois Bellis—the Brussels lawyers representing United Brands in its appeal against the EEC Commission's Chiquita decision—were quick to grasp.

Ferry Point 4lb better off

FERRY PUT paid to all hopes of racing in Britain yesterday, with the opening of the Haydock and Sedgfield—and the Lancashire course is in danger again to-day. A decision on the possibility of racing due will be taken at 7.30 a.m.

RACING

BY DOMINIC WIGAN

At Wincanton, where there is a marked shortage of runners with a total of just 26 competitors for five of the races, the feature Tom Carton Home Brew Hurdle has, in contrast, attracted a worthwhile field of 13.

Henri Mayras on November 8 expensive branded product on deploying vast financial resources for advertising and promotion.

But his opinion was not only shared by the Advocate General, but also by the Commission. M. Mayras said a broad campaign of dealing with the world banana market was not necessary.

Continent art brings

£628,120 at Sotheby's

HIGH PRICES were paid at Sotheby's auction of Continental art yesterday, with a total of £628,120.

Table listing art items and their sale prices. Includes 'Wincanton 12.45 Successor', 'Haydock 12.30-12.35', 'Warwick 1.00-1.05'.

implied matters which were not views if. Talking to me the day before he delivered his Opinion in particular the company gives in the United Brands case, M. numerous examples of what it claims was "heavy reliance on Advocate General at the Euro-pean Court was "to be the guardian of the public interest."

By making a decision on United Brands' application for a reopening of the oral proceedings the Court will therefore necessarily contribute to a better definition of the role of the Advocate-General. However if it takes the view that the Advocate is in fact telling the Court what he considers to be the public interest in the case, it will follow that the entire procedure of the Court is in need of a fundamental revision.

WINE SALE

Leading Bordeaux fetch high prices

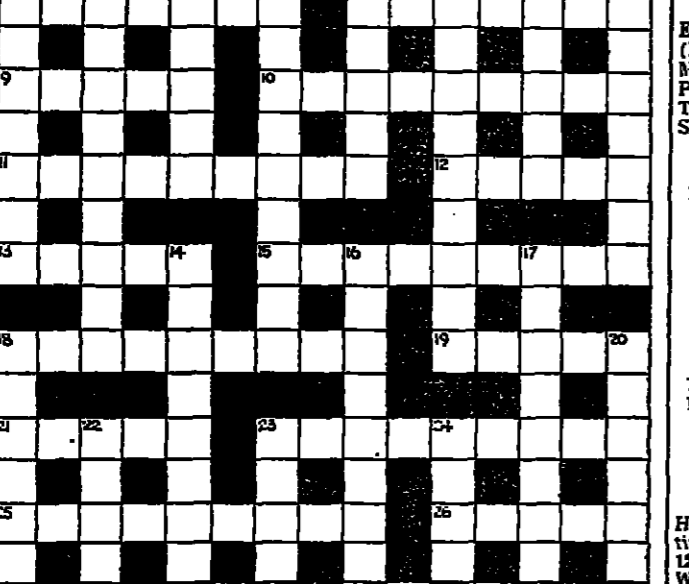
THANKS LARGELY to American and Continental buyers, prices of leading Bordeaux at yesterday's Sotheby's sale were distinctly high, including some of the vintage 47 reached not particularly esteemed. However it was the more popular vintages that achieved the highest figures.

At Sotheby's Belgrave furniture and works of art sold for £44,260, with a highest price of £1,300 for an Allen for a late 19th century oak side cabinet, while at Christie's other sale room, in South Kensington, furniture sold for £50,739, the best price being £2,300 for a Kazak rug.

TV Radio

Table with 2 columns: Programme Name and Time. Includes BBC 1, Peter, 5.55 Ivor the Engine, etc.

F.T. CROSSWORD PUZZLE No. 3,533



- ACROSS: 1 Censure makes a salesman hit the ceiling (7), 5 Holmes' brother comes to my small holding (7), 9 Spice for a fellow about fifty (5), 10 Prevailed not against Michael and his angels (3, 6), 11 Whence Joseph came to Clastonbury (wrapped in a Bari mat he acquired?) (9), 12 A special edition, but it is not a hit (5), 13 Meaning to note the split (5), 14 Dark horse disturbs the rest (9), 15 Was Edward always owning up? (9), 16 Managed church to obtain a farm (5), 17 Time after time the proverb repeats (5), 18 Tolly Savatis gets up and speculates (9), 19 Portrayed with dignity (9), 20 Scottish town for everyone with two levels (5), 21 Attic hero gives these to us (7), 22 Some day restores the dog (7). DOWN: 1 English king gets difficult with the Irish police (7), 2 Stipulation demands an expert with foresight (9), 3 O. It's the end (5), 4 Distant objects no longer current (9), 5 She helped Jason get the Golden Fleece (5).

Table with 2 columns: Region and Programme Name. Includes All regions as BBC 1 except at the following times, Wales-4.40 p.m. Crystal Tipps, etc.

LONDON

Table with 2 columns: Time and Programme Name. Includes 9.30 a.m. For Schools, 10.45 Help, 11.00 a.m. Open University, etc.

RADIO 1

Table with 2 columns: Time and Programme Name. Includes 6.45 a.m. As Radio 2, 7.00 News, 7.20 News, etc.

RADIO 2

Table with 2 columns: Time and Programme Name. Includes 6.45 a.m. As Radio 1, 7.00 News, 7.20 News, etc.

WINE SALE

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Bank Leumi Base Rate

Bank Leumi (U.K.) Ltd. announces that, with effect from Wednesday, November 30th, 1977, its Base Rate for lending is increased from 6% to 7.1%.

For larger amounts interest rates will be quoted on application.

FINANCIAL TIMES

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Rigoletto

by ANDREW PORTER

The first new production of the Metropolitan season is a breathtaking *Aida*—platforms and tall screens—that Helmut Rigoletto conducted by James Levine and staged by John Dexter—the team responsible for the Met's artistic direction. Last season's *Lulu* has been their great artistic achievement to date; their general achievement a large one, has been to raise the house's level of seriousness. No longer is the Met season just a cavalcade of big names (followed by lesser names, once the first few performances of any opera have been given) passing across the stage.

At the same time, this *Rigoletto*, like last year's Levine-Dexter *Aida* and the *Prophetic* that Dexter staged earlier this year, raises serious doubts about their understanding of nineteenth-century opera. When Levine and Dexter talk about their aims, it is in the familiar terms of stripping away the encrustations of tradition, of finding a composer's "inner meaning," of discovering a way to make an opera vivid again to a contemporary audience. This is a stock stuff, what matters is that their results are less effective than those achieved by, say, Peter Hall at Glyndebourne or Gotz Friedrich at Covent Garden.

The new Met *Rigoletto*, like *Aida* and *Le Prophetic*, is mounted on a single set, Dexter preaches economic necessity, and it is true that he has been keeping production costs down. Unit sets can work; witness Frigerio's for the beautiful Edinburgh *Carmen*, or the simple,

to full ensemble, both specified in the score and defined by the music. When everyone is struck from the start, the striking entrances that Verdi planned for the Duke and then for Rigoletto are lost. In the second scene, Gilda's abduction almost gets a laugh. In the last, the Duke addresses the second stanzas of "La donna e mobile" to Maddalena. The individual acting—all except Gilda's—is on the other hand conventional and unimaginative to the point of dullness. Cornell MacNeil has two expressions, mouth open and mouth shut, eyes creased up for both. Maddalena is a luscious sexpot, wearing a dress so low-cut that the main dramatic interest lies in wondering whether it will contain her safely to the end of the scene.

Meana Cotrubas, however, was a real character, touching in every phrase, exquisite in her portrayal of the girl who, Juliet-like, moves from innocence and obedience to passion, wilfulness, and tragedy. In ensembles, her voice rang out with surprising power and clarity. Elsewhere there were disturbing moments when their steadiness failed, when there was a small but noticeable beat accompanied by a juddering of the jaw. The Met is a huge house to fill, and maybe she was using force, instead of relying on purity of tone and projection to carry the day.

Placido Domingo was a handsome Duke, but he and Levine gave us a stiff, unfeeling, inelegant "Questa o quella" and

Two centuries ago, Wycherley's *The Country Wife* was given the approving seal of "very pleasant and instructive satire." A century later, William Archer labelled it one of the finest plays in the language. Permissiveness has so far advanced with us to-day that we may regard it as pleasant without necessarily being instructive. In a society where sexual freedom is taken for granted, the desire of all Wycherley's male characters (apart from the unhappy Pinchwife) to go to bed with someone else's wife, and the desire of most of the female characters to go to bed with Horner as soon as it has been discovered that his reputation of impotence has been exaggerated, can be taken for granted. Add only a Eudocia's Lib faction to support Horner, and the picture comes fully into our own world.

The National's production rightly plays for laughs and leaves the audience to deduce what instruction it likes. It is set before a pretty pavilion designed by John Barry; its location can be changed instantly by a spin of the revolve, bringing a new back wall into view to make sufficient distinction between one room and another, and once opening out to represent the traffic of the New Exchange.

Everything goes very brightly under the direction of Peter Hall and Stewart Trotter. So why did I begin to feel impatient halfway through Act V?

The anger, I think, lies in the acting. There is an odd sameness about all those young wits, even about Ben Kingsley's Sparkish, who cannot stay still for a moment but shifts from one leg to another or flaps his arms as if he were longing to go off for a pee. Kenneth Cranham, showing an unfamiliar facet of his talent, is a reserved and sulky Harcourt who releases his best spurts of personality when he is disguised as a priest and pretending to be his twin brother. Even Albert



Albert Finney and Elizabeth Spriggs

Elizabeth Spriggs as Lady Fidget suggests a true individual; the wedding day to run off with Harcourt. The letter scene is one of the two funniest set pieces of the play; the other is Horner's display (off stage) of the "china" in his bedroom. Mr. Finney and Miss Spriggs are wonderfully good here; my only reservation is the unnecessarily phallic shape of the china with which Lady Fidget emerges from the room, underlining a joke already complete in itself. Poor Pinchwife, for ever striving to protect his country wife from the seduction she is bound to meet and long for above any thing, is beautifully played by Richard Johnson, a figure who

desert her husband on their would clearly dominate a country estate but finds the subtleties of town life too much for him to cope with. I like the Sir Jasper of Robin Bailey, too, an actor to whom elegance is second nature. The high-spirited conclusion is high-spirited indeed, though I find it hard to take. A dance of cuckolds is a stage-direction easier to write than to mount, and those horned dancers, doubtless a winner for the wits in the pit in Restoration days, don't produce quite the same effect in our own. Besides, they have us reaching for our umbrellas while we ought to be paying attention to Miss Spriggs's eloquent speaking of the epilogue which follows.

Susan Littler is an attractive Margery, with her Mummeret accent and naive country face. She made me laugh a lot as she wrote her letters, even though she wrote them at a pace that would test a Speedwriting expert. Folly Adams plays Alitha prettily—as near a decent girl as the play offers, even if she does



Judging by the quality of the works up for sale the first Burlington International Fine Art Fair, which opens at the Royal Academy in Piccadilly to-day, should be a great success. After the initial surprise that the Royal Academy should throw open its finest rooms to dealers throughout the world there is now a feeling of satisfaction. For the 40 exhibitors from all over the world have come up with some very choice items. Indeed this is probably the best display of paintings for sale ever mounted in this country and thus provides a wonderful exhibition of art to anyone prepared to pay £1.50 (which includes a catalogue) to visit the Royal Academy between now and December 16. The pictures, plus a few items of furniture, sculptures and drawings, are spaciouly hung, and range from a Tintoretto "The

Raising of Lazarus" (above) acquired by Colnaghi at the last moment and the most costly item for sale, at over 1m. dollars, to the odd contemporary artist, some Lowrys, and the works of British 19th century primitive artists. But the bulk of the sale is devoted to Old Masters and paintings of the 18th and 19th centuries, including works by Monet, Guardi, Caneto and Stubbs. There are almost one thousand items on offer, and a conservative estimate of the value is around the £17m. mark. Although the exhibition is a sale, and timed to catch the great American art galleries on their winter tour of the U.K., there are no price tags on the works of art, which can be enjoyed in their own right. There is already talk of a similar Fair, perhaps in two years time.

ANTONY THORNCROFT

Elizabeth Hall Kirshbaum/Frankl

In Debussy's Cello Sonata the partnership of Ralph Kirshbaum and Peter Frankl was displayed at its most impressive during Tuesday's recital. Earlier, the American cellist had given plentiful evidence of his special eloquence in slow music—the start and then the Adagio of the Beethoven C major Sonata, Op. 102, no. 1, were drawn out with that steady, clear-eyed sensitivity that always makes one believe the cello is speaking slowly in its middle register to be the most noble orator of all instruments. But in Debussy Mr. Kirshbaum was now able to suggest to the full, through the same richly sustained and shaded tone, the crisp despair, the sad clowning, and the elegant wry mockery of the composer's last and greatest *scène de chambre*. The urgently dramatic way Mr. Frankl's solidly placed, sparsely employed piano tone was apt to cut into the cello reverie betokened excellent judgment and thoughtful partnering from both players.

If something seemed to be missing in the Beethoven and Schubert *Arpeggione* readings of the first part, that might be a combative vigour to balance and offer the dreamy cantabile style. The cello tone, released so easily and fully during passages of slow lyricism, was liable to sound a touch underpowered during the more muscular sections of the Beethoven sonata, although this lacuna was filled much more manfully in the account of the

Festival Hall/Radio 3 Yuri Temirkanov

From 1969 until this year, Yuri Temirkanov was the music director of the Leningrad Symphony Orchestra. By now he is well-known in America, and has already conducted in Birmingham and Liverpool; but his concert on Tuesday with the Royal Philharmonic Orchestra marked his South Bank debut. He is an engaging musical personality, and one we shall be able soon to hear in London. He framed his Russian programme with two symphonies: a scrupulous, bright-toned, attentive account of Prokofiev's Classical Symphony (much inflected by a curious, rather endearing line in left-hand finger signals), and a darkly romantic, splendidly full-blown performance of Rakhmaninov's Second, buoyant and strong.

Planetarium Laser-rock

One day the laser will revolutionise entertainment—if it has not destroyed the world in the meantime. But at the moment it remains a rather recalcitrant novelty, reminiscent of movies from the early 1980s with wooden figures doffing their caps tediously in front of shakey cameras. The new laser show at the Planetarium endured all the inevitable teething troubles before it got under way on Tuesday. The first laser beam went moody; the water that is required to cool it did its job and flooded the controls. A standby laser was quickly put into operation but the controller, who creates a different show at each performance, was displeased by its effects, at least in the early stages when it failed to produce its full range of colours. Basic laser-rock is patterns of light forming shapes in four colours set against rock music. The earlier, successful, show borrowed sounds mainly from

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Olivier

The Country Wife

by B. A. YOUNG

The Entertainment Guide is on Page 28

Finney's Horner, though there is a lot in it to enjoy, seems to fit into this production-line pattern of young men. Can't Wycherley be spoken like Coward? I sometimes found Mr. Finney a little hard to hear: there is an up-bolstered quality to his voice that needs careful use in the far-from-ideal acoustics of this vast auditorium. The same with the girls. Only

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EUROPEAN NEWS

West Germany limits its exports to South Africa

BY JONATHAN CARR

BONN, Nov. 30

THE West German Cabinet today decided to limit provision of Government-backed guarantees for exports to South Africa...

Agreement nearer on Dutch coalition

By Michael van Os

AMSTERDAM, Nov. 30

THE DUTCH Labour Party today failed to stop negotiations between the Christian Democrats and the Right-wing VVD Liberal Party...

Portuguese leader to ask for vote of confidence

BY DIANA SMITH

LISEON, Nov. 30

PRIME MINISTER Mario Soares will ask Parliament to grant or refuse its confidence to his minority Socialist Cabinet...

OECD to avoid quotas on steel

BY ROBERT MAUTHNER

PARIS, Nov. 30

MEMBER COUNTRIES of the 23-nation OECD tonight agreed to avoid quotas on steel...

Bonn backs Iran nuclear order

BY JONATHAN CARR

BONN, Nov. 30

THE WEST GERMAN Government today backed an order valued at around DM1.9bn. to put up the necessary export guarantees to cover the delivery of four nuclear power stations...

Schmidt meets Andreotti

BY PAUL BETTS

ROME, Nov. 30

THE West German-Italian summit meeting, which was abruptly postponed this summer following the escape from a Rome military hospital of the former and the Baader-Meinhof movement...

Barre raises wages, pensions but national strike goes ahead

BY DAVID CURRY

PARIS, Nov. 30

ON THE EVE of the one-day national strike called by three unions to protest about the government's austerity budget, the French Cabinet has decided to increase the national minimum wage...

Clash at EEC nuclear hearings

BY GUY DE JONQUIERES

BRUSSELS, Nov. 30

SHARPLY CONFLICTING views on the future role of nuclear energy, add of the fast breeder reactor in particular, were expressed today by representatives of European energy companies...

Denmark spending to rise by 10%

By Our Own Correspondent

COPENHAGEN, Nov. 30

THE GOVERNMENT borrowing requirement in the year beginning April 1 will rise to a record Kr.33.2bn. which is about 10 per cent of the gross domestic product...

Turkish threat denied

WASHINGTON, Nov. 30

THE U.S. State Department today denied a report that Turkey had threatened to expel the 7,000 U.S. troops there if early progress was not made on a \$1bn. joint defence agreement...

Fewer aliens in Switzerland

BY JOHN WICKS

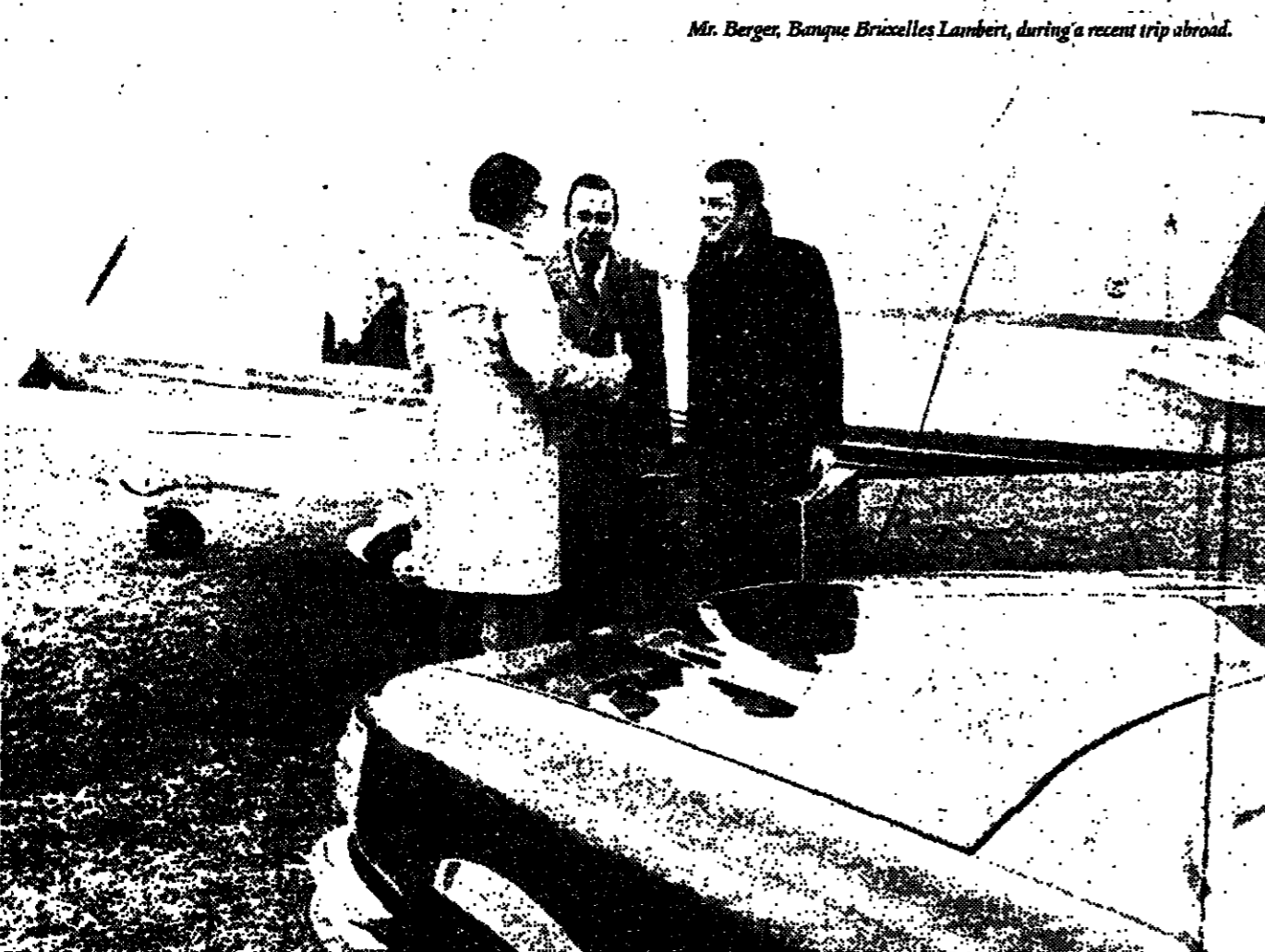
ZURICH, Nov. 30

THE Foreign labour force in Switzerland has fallen to its lowest level since before 1965. A government survey just published by Bern shows a decline in the number of gainfully employed aliens in the country...

U.S. human rights move

BELGRADE, Nov. 30

THE United States is preparing a new proposal on human rights for the Belgrade Conference on European Security and plans to present it on Friday...



Mr. Berger, Banque Bruxelles Lambert, during a recent trip abroad.

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AMERICAN NEWS

Carter praises Sadat but seeks overall settlement

BY DAVID BELL

WASHINGTON, Nov. 30.

PRESIDENT CARTER today praised President Anwar Sadat of Egypt for engineering a "historic breakthrough" in the Middle East...

Mr. Carter told a Press conference that Mr. Alfred Atherton, the Assistant Secretary of State for Near East Affairs, will represent the United States at the Cairo meeting proposed by President Sadat...

The President praised Mr. Sadat's courage, which had already led to "tremendous accomplishment," he said. "Now that progress is being made, the proper role for the United States is to support that progress..."

East," he said that it was right that the U.S. should not constantly have the role of a "dominating intermediary."

But, Mr. Carter said, the U.S. was striving to keep very much alive the idea that nothing less than a new Geneva conference, attended by all the parties, could lead to a lasting peace in the Middle East...

He said that comprehensive settlement of the kind favoured by the U.S. would be difficult to achieve. The Palestinian issue, the question of security and final borders, all remained to be resolved and the U.S. was "very far" from concluding that they were too complicated to be dealt with in an overall agreement...

The President appeared to take great care to be "conciliatory" towards the Soviet Union which has rejected President Sadat's invitation to a Cairo conference. He strongly defended the right of the Soviet Union...

as a co-chairman of the conference - to be involved in the peacemaking process and he said that in recent months the Soviets have moved to a "more balanced position" about the Middle East.

Mr. Carter said that he "wished" the Russians had decided to go to Cairo, but that he did not think they were seeking to obstruct peace negotiations. "They are not trying to be an obstacle to peace. Their perspective is just different from ours," he said.

Furthermore, Mr. Carter insisted that President Sadat is speaking for the Arab world in his approach to the Israeli government and that he has "evoked very clearly" the joint Arab position.

Both Syria and Jordan want peace, he went on, and it was to be hoped that they would feel able to take part in the progress towards Geneva at a later date. "In the meantime, we are trying to induce other countries to support the ongoing negotiations and also to avoid condemnation of President Sadat that might detract from his influence and be an obstacle to peace in the future," the president said.

Trident submarine cost over-run

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Nov. 30.

THE COST over-run on the prototype model of the Trident submarine has already reached 50 per cent, according to the U.S. Navy.

In addition, the project is already one year behind schedule, with difficulties between the navy and its shipbuilding contractors possibly leading to further delays.

Two senior navy officials said that the cost and design problems lay with the hull, and not with the nuclear power plant nor with its missile-delivery system.

The first trident of a planned batch of 13, was due to cost \$800m, and to be completed and ready for sea testing by 1980.

Current cost estimates for the prototype are now put at \$1.2bn. If the cost overruns are continued, then they would amount to the largest single such instance, far exceeding the \$2bn above the projected costs for the construction of the Lockheed C-5A military transport aircraft.

The key problem, according to the Navy, is the size of the vessel, which has been dictated by the requirement that the power plant be big enough to enable it to cruise submerged at 25 knots.

A complicated factor is that the principal contractor - Electric Boat Company, of Groton, Connecticut - has been forced to lay off workers. The only other shipbuilding concern considered capable of taking up the slack - Newport News Shipbuilding, a Virginia subsidiary of Tenneco - is embroiled in a separate contractual dispute with the Navy and has intimated that it is unwilling to assist.

\$500m. loan sought by Hydro-Quebec

By Robert Gibbons

MONTREAL, Nov. 30.

HYDRO-QUEBEC, according to money market sources, is negotiating to borrow between \$500-\$750m. in the international market to finance its 1978 construction programme at James Bay.

The loan would be arranged with a large consortium of international banks, including the largest Canadian banks, and would be in U.S. dollars. The rate would be geared to the London interbank market.

The loan would be arranged with a large consortium of international banks, including the largest Canadian banks, and would be in U.S. dollars. The rate would be geared to the London interbank market.

The term would be from 7-10 years. The amount mentioned for Hydro-Quebec would make up nearly half the total external borrowing programme for 1978.

The Quebec Government has tabled legislation setting up a National Asbestos Corporation, capitalised at \$250m. The provincial Resources Minister, Mr. Yves Berrube, said that the cost of buying the existing and privately-owned Asbestos Corporation would be about \$200m, and about \$50m. would be earmarked for investing in fibre-processing plants in the future.

The aim is to get the legislation through the National Assembly before Christmas. The Government, through U.S. investment bankers Kidder Peabody, is about to begin negotiations with General Dynamics of the U.S. to buy the latter's controlling 54.6 per cent interest in Asbestos Corporation, second largest fibre producer in Quebec, which exports raw fibre to 70 countries.

Mr. Berrube said that Quebec will pay "a fair value" for the controlling shares, which "would be neither market nor book value."

Major companies to seek oil off Falkland Islands

BY HUGH O'SHAUGHNESSY

MAJOR international oil companies are to carry out seismic exploration for oil in waters around the Falkland Islands, the remote British colony in the south-west Atlantic.

An announcement by the Falkland Islands government says that Geophysical Services Inc. is shortly to send a ship to the islands to carry out a survey of waters as far out as the 100-fathom line on behalf of oil companies of "international standing".

Geophysical Services is one of two companies (the other being Western Geophysical) which are carrying out seismic surveys in the area. This is presumably a reference to exploration on behalf of Argentina.

Geophysical Services is to pay a fee of £100 to the Falkland Islands government, to which it will make available data gratis. Meanwhile, the dispute which resulted in an acute shortage of petrol in the colony appears to have been resolved.

Dozers at government pleads that Falklanders would be represented by an Argentine civilian tanker only at "substantive" talks responsible for supplying the between the two countries.

The Argentine air force has been given a contract to build an oil jetty to enable supplies of petrol to be delivered to Port Stanley in bulk, rather than by drum as at present.

A further round of talks between Britain and Argentina are likely to start in New York this month on the Falklands issue, but no Falklanders are expected to attend. The British government pledged that Falklanders would be represented by an Argentine civilian tanker only at "substantive" talks responsible for supplying the between the two countries.

islands because it would not fly the 100-fathom line on behalf of oil companies of "international standing". It added that been sent in an Argentine warship which was not expected to fly a courtesy flag.

The Argentine air force has been given a contract to build an oil jetty to enable supplies of petrol to be delivered to Port Stanley in bulk, rather than by drum as at present.

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Narodny warns of dollar crisis next year

THE LONDON-BASED Moscow Narodny Bank says in its latest quarterly review that a "new and more serious dollar crisis may be on the horizon in 1978."

Several U.S. officials do not seem to understand the sensitivity of foreign exchange markets in a floating exchange rate system, the historical precedent of the 1971 dollar devaluation after a heavy series of deficits, and the responsibility the U.S. undoubtedly has to protect the value of the world's leading reserve asset, the bank said.

It added that the Carter Administration, unable to find short or medium term solutions to its problem of heavy energy imports and unwilling to effectively control the money supply, "has, to some extent, saddled itself with a dollar adjustment that has shown signs at times of getting out of control."

Vance row in Argentina

BY ROBERT LINDLEY

BUENOS AIRES, Nov. 30.

THE new U.S. Ambassador to Argentina, Mr. Raul Castro, who has been here for only a fortnight, has made a statement and a third non-denominational night.

He added, "No one denies that intentions of some foreign news people have disappeared" in media and the Argentine Foreign Ministry, regarding a list of 7,500 persons supposedly either killed or missing in Argentina.

The foreign news media, on the occasion of the visit here of the U.S. Secretary of State, Mr. Cyrus Vance, last week, reported that his party handed the list to Argentine authorities. Later last week, the Argentine Foreign Ministry instructed all Argentine diplomatic missions to deny the reports.

Now, Mr. Castro's first news conference since his arrival, he has said that the list of 7,500 names was not delivered to the Argentine during the Vance visit, but only "a day or so ago" by U.S. embassy officials. Moreover, he said, the U.S. Government cannot certify the authenticity of the list, which was given

Return to work after East Coast dock strike

NEW YORK, Nov. 30. DOCKWORKERS in East and Gulf coast ports returned to work on Wednesday in response to a call by the International Longshoremen's Association to end a two-month strike that piled up billions of dollars worth of containerised goods.

ILA president Thomas W. Gleason said members were voting overwhelmingly to approve a new three-year contract that provides job security guarantees and increased wage and fringe benefits.

"With the total vote taken so far, and as far as this international union is concerned - and myself - I'm ordering the men back to work," Mr. Gleason said. "The strike is over."

In New York, the busiest East coast port, where 24 container or automated ships from nearly all over the world were berthed and waiting to be unloaded, extra dockworkers were unloading container ships at 7 p.m. (24.00 GMT), industry officials said.

Union sources said the job security provision - a key point in the strike - called for carriers to set up a fund to protect union members from "shortfalls" in the number of manhours available for work or decreases in tonnage handled. Carriers will make donations to the job security programme on a formula basis to protect the dockworkers' guaranteed annual income, pension and welfare funds. The major issue in the strike was protection for the guaranteed annual income of dockworkers, who have lost jobs because of containerisation and the automation of cargo handling. The settlements called for an 80 cent an hour wage increase in each of the three years of the master contracts. Longshoremen in New York currently earn \$8 an hour. UPI

Swedes reject Brazil bid for N-equipment

STOCKHOLM, Nov. 30.

THE SWEDISH Foreign Ministry has refused a request by the State-owned Atomic Energy Company to sell technical training equipment to Brazil, the ministry said today, putting out the export of nuclear technology to Brazil was ruled out by a Swedish law which states that nuclear technology can only be exported to countries which have signed the nuclear non-proliferation agreement. Brazil has not signed the agreement.

The ministry said that an Atomic Energy Company request last week for permission to export nuclear energy stimulators to Brazil was turned down by the Foreign Ministry. UPI

Caribbean aid meeting

BY OUR OWN CORRESPONDENT GEORGETOWN, Nov. 30.

THE WORLD Bank will sponsor a two-day meeting in Washington in mid-December to bring together actual and potential aid donors to the Caribbean, and recipients thereof, for a discussion on future assistance.

Mr. Terence Todman, the U.S. Assistant Secretary of State for Latin America, said here.

He stated that the December 14-15 meeting will be aimed at producing ideas for a programme of action to step up Caribbean development. All countries in the Caribbean had been invited, he said, but then added, "we do not see Cuba as being involved at present."

Some of the countries which will take part include Britain, the U.S., Japan, Holland, France, Canada, Venezuela, Mexico, and Brazil, as well as the EEC.

Mr. Todman was the third senior U.S. official to visit Guyana in recent months in what appears to be a steady climb in interest in the country by Washington, and a rapid repair of relations which hit a low point a year ago.

Mr. Todman said there were now no obstacles to co-operation between the U.S. and Guyana. On U.S. financial assistance, he predicted an increase on the \$12m. promised for 1978, as well as some sort of balance of payments support.

He ruled out further financial assistance to Chile because of its human rights record.

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MEXICAN ECONOMY

Oil as the salvation

BY ALAN REDING IN MEXICO CITY

THE MEXICAN Government is under growing pressure to reflate the economy, after scrupulously following the International Monetary Fund austerity programme for the past year. From the point of view of the IMF and domestic monetarists, it would still be too early to do so. But economists of the Left are uttering warnings about the social and political hazards of forcing the peasants and workers to carry the brunt of the recession for another year.

The debate has analogies in Britain. The Mexican Government, too, is looking to oil to save the day and is trying to hold wage increases to 10 per cent. But in Mexico the drop in real wages has pushed millions of people below the poverty line, and the collapse of domestic demand has raised unemployment and underemployment to an unprecedented 53 per cent. of the workforce.

Not that an early expansion of the economy through increased government spending will resolve the problems of the poor and unemployed. The one-year administration of President Jose Lopez Portillo believes that the main evil - for both rich and poor - is inflation and that, in spite of considerable progress this year, more sacrifice will be needed to defeat the monster.

The economic turnaround has been remarkable. And all this without considering the country's new oil reserves, which have been rising by leaps and bounds and are now being compared with those in Iran. Not surprisingly, the IMF is pleased with its patient and is expected to relax the \$2bn. limit on net foreign borrowing that it set for 1978. Mexico needs money to develop the oil and to build a natural gas pipeline to the U.S. Financing for these projects should be available.

However, the economy is still in the doldrums, and, in the absence of increased Government expenditure, there is no sign of a recovery of private investment. Many companies with large dollar debts are continuing to suffer the effects of the devaluation, their cash flow squeezed and their foreign credit ratings shaken.

Domestic resources remain limited even though savings have begun to grow since interest rates to savers were raised to a maximum 18.52 per cent. last May. Companies that can borrow must nevertheless pay at

least 24 per cent. for their funds, and with demand low and only 60 per cent. of industrial capacity in use, new investment is difficult to justify.

The improved relations between the public and private sectors since President Lopez Portillo's office have therefore not been reflected in the performance of the economy. Businessmen are simply waiting for the Government to start spending; then they will follow suit.

Government expenditure on oil and natural gas is clearly both necessary and justified. A \$17bn. investment programme by the state oil monopoly, Pemex, will raise production to 2.26m. barrels per day and exports to 1.9m. by 1982 and will double refining and triple basic petrochemical capacity by the same date. The income that these investments will produce should more than justify the plunge.

However, the argument is also made that, to avoid excessive liquidity and an artificially overloaded currency by the early 1980s, Mexico must start thinking now about how its oil wealth is to be spent in other areas. For example in spite of the domestic steel surplus and considerable spare capacity in the industry, Mexico expects to double production to about 17m. tons per annum within six years. Similarly, demand for electricity is expected to boom, justifying the Government's decision to complete its first nuclear energy plant at Laguna Verde and to build new hydro-electric dams in the south.

But these investments in long-term capital-intensive projects will do little more for the recession than to create a few thousand construction jobs. recovery, if it is to be sound, must come through the increased efficiency and productivity of both private and government-owned industry, starting with small and medium-sized companies that are relatively large employers and reaching bigger firms with lower profits and less protectionism. For this to happen there must be stability. To bring inflation down to "American levels" another year of deflation is therefore unavoidable. To give in now to pressures to spend would make a return to the wages-prices spiral inevitable.

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OVERSEAS NEWS

'Rejectionists' soften Egypt line

BY IHSAN HIJAZI

BEIRUT, Nov. 30.

THE ARAB STATES opposed to President Sadat's Middle East policy have shown signs of desire not to let their campaign... The warning was included in an editorial in Baghdad's semi-weekly Al-Thaqafa...

to discuss President Sadat's peace initiative with Cairo. From the UN, a PLO spokesman said that Dr. Waldheim's plan for the UN, a PLO spokesman said that Dr. Waldheim's plan for the UN...

Gandhi backers form local groups as party disintegrates

BY K. K. SHARMA

NEW DELHI, Nov. 30.

THE AGREEMENT between Mrs. Indira Gandhi and her rivals in the Congress Party to maintain unity has broken down and the more powerful National Organisation now faces disintegration... The first such move is being made by the southern state of Karnataka...



A Vietnamese mother pleading with Thai police while they were turning back the small fishing craft she was sharing with 48 others seeking entry into Thailand...

WORLD TRADE NEWS

E. Germany to import VW Golf EEC close to agreement in bilateral textile talks

By Leslie Collier

BERLIN, Nov. 30.

EAST GERMANY is to import 10,000 VW Golf cars next year under an agreement signed between the Volkswagenwerk and East Germany's Transport Maschinen Export-Import in East Berlin...

By David Buchan

BRUSSELS, Nov. 30.

THE EEC appeared to-night to be close to agreement with the two largest textile suppliers, Hong Kong and India, with only a few hours to go to the midnight deadline...

U.S. expects concessions in Japanese package

By David Bell

WASHINGTON, Nov. 30.

THE U.S. is expecting the new Japanese Cabinet to announce "substantial concessions" when it unveils its new package of economic and trade measures...

comment on reports that Mr. Alan Wolff, the Deputy Special Trade Representative, to talk with the Japanese Government when the measures are unveiled...

Exports 'still competitive'

By Lorne Barling

EXCHANGE rate movements have apparently had surprisingly little effect on the competitiveness of British export prices over the past two years...

New Hawker Airbus deal

By David Bell

HAWKER Siddeley Aviation, a member of British Aerospace group, has received orders worth \$30m. for another 18 jets for the European A-300 Airbus...

U.S. banks in first Polish dollar loan

By William Dullforce

THE EXPORT Credits Guarantee department has guaranteed the repayment and funding for a \$16.5m. loan which the Bank of America, acting on behalf of itself and a syndicate of American banks, has made available to Bank Handlowy w Warszawie of Poland...

Move to hold down pulp price

By William Dullforce

STOCKHOLM, Nov. 30.

SWEDISH chemical pulp manufacturers aim at maintaining their lower price level through the first quarter of 1978... The mills utilised only about 65 per cent of their capacity...

Coconut oil plant

By Rhys David

A £2m. complex for the production of coconut oil is to be built in the Philippines under a contract won by Sims and Rosedowns of Hull. The order covers the design and supply of a plant to process 125 tons of copra a day...

Norway may block ship order

By Fay Gjester

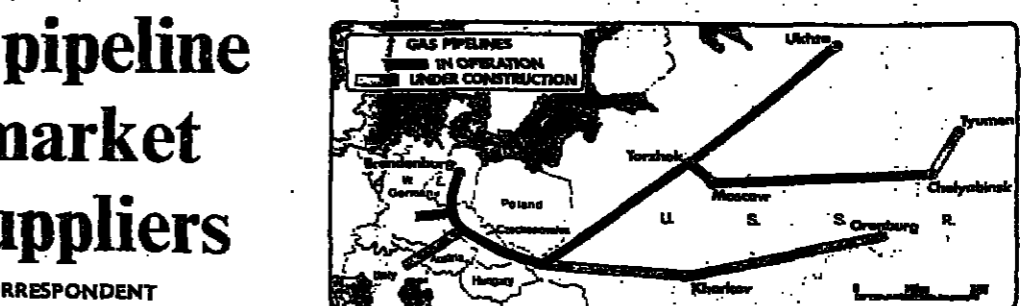
OSLO, Nov. 30.

NORWAY'S Government may refuse to grant import licences for eight ships ordered recently by Norwegian owners from Swedish yards under the scheme with the unsatisfactory development of paper prices this year...

Soviet gas pipeline offers big market for plant suppliers

By Rhys David, Northern Correspondent

THE FIRST of 42 gas turbine pumping modules, part of the £1.4m. contract for the Soviet Union, will leave Hull docks later this week on their way to the natural gas fields of Western Siberia...



site problems a complete unit has recently been test-assembled and then dismantled at Cooper's Liverpool plant where half the modules will be built... The USSR is seen as the most promising market because of the link which has now been forged...

Weaker yen welcomed on Tokyo exchange market

By Charles Smith, Far East Editor

TOKYO, Nov. 30.

THE JAPANESE YEN displayed surprising but exceedingly welcome weakness on today's Tokyo foreign exchange market, falling 2.5 points against the U.S. dollar to close at a rate of 244.20 Yen to the dollar...

Iranian Cabinet reshuffle

By David Housego

DR. JAMSHID AMOUEZGAR took over direct control of the management of the Iranian economy yesterday in the first major cabinet reshuffle since he became Prime Minister in August...

Muzorewa warns Smith

By Tony Hawkins

SALISBURY, Nov. 30.

In a letter to Mr. Smith released to the Press-to-day, Bishop Muzorewa, who is the key to the 'internal settlement' negotiations due to start next week, said he had demanded 'an urgent response from the Rhodesian Prime Minister...

Thailand's military ruler admits grim future

By Richard Nations in Bangkok

BY RICHARD NATIONS IN BANGKOK

FEW PRIME MINISTERS could have taken power with as grim a prediction about the future as General Kriangsak has now done... The main pressure on him comes from a group of roughly 30 battalion commanders...

BBC seeks substantial licence fee increase

BY DAVID CHURCHILL

THE BBC is shortly to begin negotiations with the Home Office on its claim for a substantial increase in the licence fee from next summer.

The size of the increase being sought has not been decided but the BBC deficit of £3.5m, despite an operating profit of £2.9m in the last financial year, is expected to climb sharply over the coming year as costs continue to rise. A deficit of between £15m and £17m, by next July was forecast by the BBC yesterday.

Sir Michael Swann, BBC chairman, yesterday made clear the BBC's unease with the Government's refusal to guarantee the long-term financial viability of the BBC. He said that if the Government repeated last year's decision to increase licence fees for a period covering only a year, then this would create a "situation dangerously akin to an annual grant-in-aid."

The BBC fears, and this has been supported by various Government committees since Sir Michael, that annual financ-

ing would "undermine the BBC's vital constitutional independence." "I hope that neither this Government, nor any future Government, will risk that damage," added Sir Michael.

Sir Michael, who was announcing the BBC's latest annual report, and accounts which is included in the new BBC Handbook, also warned that if the Government kept down the licence fee this would damage the quality of programmes.

The BBC would prefer a return to the previous financing system whereby the licence fee was set at a high enough level to last for several years. The surplus in the first few years would be offset by losses in the latter period covered by the licence.

Despite the BBC's warnings yesterday over future finances, their case for an increase was not helped by a better than expected financial performance in the last financial year.

The total income of BBC Government committees in 1976-77 was £232,872m, and total expenditure

Barclays lending £5m. to Argos

By Elinor Goodman, Consumer Affairs Correspondent

ARGOS, the sister company to Green Shield, is to borrow £5m. from Barclays Bank to finance its development programme. Like Green Shield, Argos is owned by Mr. Richard Tompkins, and until now the group has been largely self-financing.

Argos was started in 1973 as a new type of discount retailing chain. Shoppers select merchandise from a catalogue and go into the stores only when they have decided what they want. To-day there are 65 Argos branches, and the chain had a turnover of £20m. in the 12 months to the beginning of November, against £26.4m. in 1975-76.

It is planned to increase the number of shops to 100 by 1980. This would more than double the £4m. invested by the company, most of it from Green Shield or re-investing Argos profits.

Mr. Joe Phillips, joint managing director of Argos, said yesterday that the management had decided that it made sense at the moment to go outside for money.

Argos, which is run separately from Green Shield, made an estimated profit of £750,000 in the year just ended against £55,000 the previous year.

Mr. Phillips said yesterday that Barclays' willingness to lend the company £5m. showed the bank had confidence in the future of Argos.

More rail may be electrified

BY DAVID FREUD, INDUSTRIAL STAFF

THE GOVERNMENT intends to review with British Rail the case for further main line electrification.

A White Paper responding to a Commons Select Committee report on British Rail last May supports the report's pro-rail recommendations. It agrees with the committee that no large scale cuts should be made on the railway system.

The Government is now prepared to look at electrification in terms of future energy prospects rather than on a financial basis.

British Rail welcomed the change of approach yesterday and said it firmly believed that "investment in railway electrification should receive high priority in the current national debate about the future use of oil revenues." The change could mean an early go-ahead for four schemes to which British Rail attaches high priority.

These are the electrification of the Thames valley suburban lines between Fiddington and Oxford, the remaining non-electrified Southern Region routes, the heavy freight route between the Midlands and South Wales, and the continuation to Sheffield of the London-Bedford route now being converted to electricity.

The role of British Rail in public transport. The Government's response to the first report from the Select Committee on Nationalised Industries: Session 1976-77. Command 7038. HMSO. 72p.

John Brennan, property correspondent, writes: Mr. Peter Parker, chairman of British Rail, acrylonitrile, a propylene derivative used in the manufacture of synthetic fibres and block plants for development of rubber.

Insurance brokers criticised

By Our Consumer Affairs Correspondent

INSURANCE BROKERS were sharply criticised yesterday by the Consumers' Association. The only way to be sure of getting the best advice, the association said, was for consumers to shop around different brokers and contact insurance companies direct as well.

In a survey published in this month's edition of Which? co-ordinating with the setting up of the Insurance Brokers' Registration Council, the magazine concluded that brokers "put up a fairly dismal show."

The survey showed life insurance brokers in a particularly bad light. In general the magazine concluded that they failed to ask enough questions to get an accurate picture of the family's insurance needs and advised clients to spend more money than necessary.

Motor insurance brokers fared better in the survey. But the association still concluded that a car owner would have to visit a number of brokers to be reasonably sure of being recommended a fairly cheap company.

Mr. Francis Perkins, chairman of the British Insurance Brokers Association, commented that it was precisely because consumers need more information and clarification on insurance broking that could be provided by an article of the type given in Which? that the industry, with the support of the Government, had set up a registration system.

The best protection for consumers would be to look for members of the BIBA, who have to be registered, for sound business practice and advice. The BIBA has already started on the task of raising standards still further.

Long John lifts whisky output

BY KENNETH GOODING

LONG JOHN International has completed the £5m. expansion of its Strathclyde grain whisky distillery. The project, which has increased the capacity of the distillery from 5jm. to 10m. gallons a year, making it one of Scotland's largest.

Mr. Ian Coombs, managing director, said yesterday that there was some evidence that there would be a shortage of capacity in the Scotch whisky industry in the 1980s.

He pointed out that there was a consensus among distillers that world-wide sales of Scotch would grow at about 5 per cent. a year against the historic rate of 3 per cent. to 10 per cent.

This would indicate that by 1985 the market would take

195m. gallons of Scotch. Because of the maturation period, the whisky sold in that year would have to be in stock by 1980.

However, stocks last year were 140m. gallons and a 5 per cent. addition a year to 1980 would leave them at only 170m. gallons.

Mr. Coombs said that these were only rough calculations, but he joins a growing number of Scotch whisky people who have been dropping hints about possible shortages in the 1980s.

However, the Distillers Company, which accounts for roughly half of all Scotch produced, has steadfastly maintained there will be no shortages.

Mr. Coombs said yesterday that, in any case, after the expansion, completed in 1975, of Long John's two malt whisky distilleries, the group did not need any extra capacity for many years to come.

Long John recently became a subsidiary of the Whitebread brewing group.

This year its sales were up by about 15 per cent.

Blast halts BP plant

BP CHEMICALS is investigating an explosion which took place at Grangemouth, West Lothian, yesterday, halting production of a propylene derivative used in the manufacture of synthetic fibres and block plants for development of rubber.

Colonel spent large sums, says woman

FINANCIAL TIMES REPORTER

EVIDENCE was given by Mrs. Geraldine Revill, of Wimborne, Dorset, in the Iranian arms deal trial at the Old Bailey yesterday that Lt. Col. David Randel, a former Defence Ministry signals adviser, had spent large sums entertaining her for several months in 1975.

She said that she had met him while working as a part-time barmaid at the Wimborne Conservative Club. He took her out in London and the West Country and later told her that several thousand pounds of his money had come from Iran through a Tehran business associate.

Lt. Col. Randel, aged 41, of Aldershot, denies corruptly receiving nearly £25,000 from two former Royal Army executives for helping the company to win a £4m. defence contract from the Iranian forces in 1972. The two former executives, Mr. Geoffrey Welburn, aged 41, and Mr. Frank Nurdin, aged 61, deny

Judge defers decision on bankers' £1½m. claim

A HIGH COURT judge yesterday reserved his decision in a £1½m. lawsuit brought by London merchant bankers Keyser Ullman against former property developer William Stern.

The bankers' claim, arising out of a personal guarantee given by Mr. Stern in 1973 in respect of cash owing by one of his companies, Magnum Hotel (Manchester), ended after a three-day hearing.

Mr. Stern, whose property empire collapsed with the 1974 decline of the property market, disputed the claim on the basis that it was not enforceable against him.

The American-born businessman, of Albert Court, Prince Consort Road, South Kensington, contends that he is not liable to the debt because of the scheme of arrangement between the Stern Group and its creditors approved by a Chancery judge in 1975.

The scheme proposed a three-year moratorium on the enforcement of debts, during which time the affairs of the scheme companies would be administered by Sir Kenneth Cork under the supervision of a committee of creditors.

Mr. Stern's counsel, Mr. Muir Hunter, QC, told Mr. Justice Talbot yesterday that the scheme "over-reached" the guarantee. He urged the judge to hold that, so long as the scheme remained in force, there was no sum owing by Mr. Stern.

Rate of profit rise declined last month

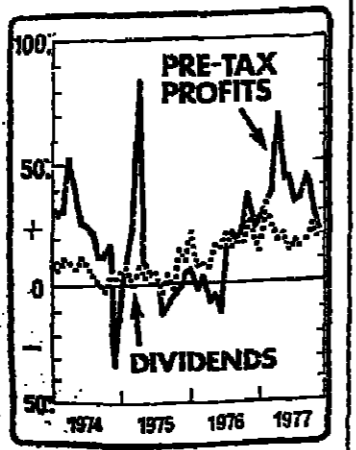
FINANCIAL TIMES REPORTER

THERE WAS a further decline in the rate of profit increase in the 130 full reports and accounts of industrial companies received during November compared with the levels a year ago.

The increase at the pre-tax stage amounted to 21.4 per cent. This compares with the near-40 per cent. rise recorded in reports received in October, and with increases of 34.8 per cent., 42.7 per cent. and 36.3 per cent. in the first three quarters of the year respectively.

Larger companies reporting above-average profit gains included Lucas Industries and Smiths Industries, up 38 per cent. and 27 per cent. respectively. Glaxo up 19 per cent. and Great Universal Stores up 14 per cent.

Dividend costs in the October reports and accounts averaged 19 per cent. more than the year-



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This year, on their heat treatment furnaces alone they have reduced fuel consumption by 56%—from 115,000 to 50,500 therms per year, and greatly reduced maintenance and replacement costs by changing to a new type of burner. When present work has been completed there will be a total saving throughout the plant of 600,000 therms annually.

These savings are the outcome of close co-operation between Vauxhall and the North West Gas Technical Consultancy Service. And it's made them this year's Gas Energy Management Award winners.

The G.E.M. Award is made every year by British Gas to the company and Regional Technical Consultancy team who, working together, show the most successful increase in gas-using efficiency. There were seventeen other finalists this year, and all won substantial prizes of higher plant efficiency and fuel saving.

If you're interested in running your plant more efficiently, or are looking for expert advice about installing new plant, or changing fuels, call the Technical Consultancy Service of your Gas Region or send in the coupon below. A preliminary chat is quite free. It could save you a lot of money.

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PARLIAMENT and POLITICS

LABOUR NEWS

EVOLUTION DEBATE

Scrutiny powers belong in Parliament, say MPs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A LONG slogging match over the scrutiny powers of the Privy Council... The Government has been accused of trying to circumvent Parliament...



Mr. Powell... "An attempt at part federal structure..."

English Parliament would be cast as the villain of the piece... Mr. Powell (Ulster Unionist, South Down) maintained that the difficulties resulted from the Government's attempt to introduce a part federal structure...

Tories angry over amnesty

By Ivor Owen, Parliamentary Staff

RACIAL TENSIONS will be exacerbated by the Government's decision to extend the amnesty for illegal immigrants... Mr. Francis Pym (Opposition spokesman) said the Bill itself admitted that disputes would arise...

Leyland shop stewards call for higher output

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS shop stewards have taken the initiative in warning workers of the critical situation confronting the group... The Leyland Cars division has achieved only 70 per cent of intended output...

Productivity

Mr. Michael Edwardes, new chairman of the holding company, is already conducting his own detailed review of the corporation's long-term strategy... The Leyland Board and its subsidiaries are likely to argue that major investments should be authorised.

management plans to introduce in the new year will provide the incentive to lift output... Meanwhile, Chrysler (U.K.) will come under pressure next week from its trade unions to disclose details of its long-term plans...

Grunwick hearing 'hitting ACAS'

BY NICK GARNETT, LABOUR STAFF

THE ADVISORY, Conciliation and Arbitration Service says that because of the legal hearing arising out of the Grunwick dispute it is facing increasing resistance from some companies over the processing of union recognition claims...

There is no way compelled to cooperate with ACAS in providing information to form the basis of an opinion survey... The Advisory Service says that the growing problems it is facing are being provided not by some of the British companies but by some of the foreign-based concerns...

Days lost through strikes double

BY OUR LABOUR STAFF

THE number of working days lost through strikes this year is already considerably more than double last year's total... Another 350,000 working days were lost during October, taking the total for the first ten months of the year to nearly 7,115,000...

Fire safety costs plea to Minister

THE GOVERNMENT intends to end the working of the 1971 Fire Precautions Act as soon as possible... Lord Harris, Home Secretary, said he was replying to a Lords debate in which Baroness Williams (C.) had appealed for help for small hotels and old people's homes...

Councils warned to keep tight control on spending

BY DAVID CHURCHILL

A DETAILED circular spelling out the effects of the recent rate support grant was sent yesterday to all local authorities in England and Wales... The circular, issued jointly by the Departments of Environment and Transport, warns local authorities that close control of expenditure should be maintained...

Education: Authorities will be able to restore to an acceptable level expenditure temporarily cut in the current year... Personal social services: Authorities should be able to maintain expenditure in the next financial year without any further cut in services...

Local transport: The forecast expenditure will allow for improvements in concessionary fare schemes and enable road maintenance to continue at its present level... The Government has decided not to introduce charging for building control work at the present time and is making an extra £15m available...

Minister hopes for China trade expansion

BY IVOR OWEN

SCUSSIONS ARE in progress stressing the mutual benefits of the possibility of mounting an EEC trade fair or exhibition in Peking... Lord Gormanby, Secretary of State for Foreign Affairs, told the Lords a night...

Grant to Thames Board Mills survives SNP challenge

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT grant of up to £10.5m towards the new £100m paper and board making plant of Thames Board Mills at Workington, Cumbria, was approved by the Commons early yesterday despite opposition from the Scottish Nationalists... The SNP forced a vote against the assistance being given...

Mr. George Thompson (SNP, Galloway) objected that the bulk of the wood used by Thames Board Mills at Workington would come from southern Scotland... Mr. Williams, Minister of State for Industry, said the company had given an undertaking to purchase equipment for the plant in Britain where that was possible...

Mr. Ron Thomas, chairman of the Tribune Group, said that in addition to the £10.5m, the company would get 100 per cent depreciation allowance over the years... He wanted to know why, instead of a grant, the Government could not take £10m in equity shares in Unilever...

Tanker drivers seek more wage talks

BY PAULINE CLARK, LABOUR STAFF

REPRESENTATIVES of more than 2,000 tanker drivers in the Shell U.K. oil company have asked their negotiators to seek further talks with the company... The decision reached yesterday by a conference of the drivers' shop stewards viewed against the background of a claim believed to be as high as 30 per cent...

Regional negotiations in the West Midlands have already produced a 15 per cent settlement... The Shell tanker drivers are the first in this group to start pay talks this year and as such are expected to be watched closely by their colleagues elsewhere in the oil industry...

Civil Service warning

BY OUR LABOUR CORRESPONDENT

SENIOR CIVIL servants will be urged to-day to make urgent representations to the Prime Minister in an effort to avoid a strike in industrial relations in the Civil Service winter... The Government, after appeals from Civil Service unions, has agreed to restore the pay research system under which civil servants' pay is determined by outside comparisons...

Union leaders are concerned that if there is no agreed method of setting Civil Service pay in the coming year, there will be widespread industrial action for separate claims... This week unions are conducting a campaign of action over the pay issue...

Reserve firemen win job shield

MR. NEVILLE BULLOCK, a part-time fireman, won a victory yesterday on employment law for thousands of retained firefighters... The Employment Appeal Tribunal ruled that retained firemen, who do other jobs but are called in case of fire, are entitled to claim redundancy pay or compensation for unfair dismissal...

Under the Trade Union and Labour Relations Act, part-time employees who work less than 18 hours a week and have not been continuously employed for 26 weeks are not protected by the dismissal laws... In a test appeal brought by Mr. Bullock, the tribunal ruled that retained firemen are "employed" when on standby, and not only when answering calls...

Fewer unions

The strike figures appear in the October issue of the Department of Employment Gazette, which also reports that: Membership of trade unions stood at 12,376,000 at the end of last year — an increase of 359,000 over 1975... Over the last ten years trade union membership has increased by about 20.6 per cent, with the latest 25 unions now accounting for 79.5 per cent of total membership...

THE HONGKONG BANK GROUP BASE RATES. The Hongkong and Shanghai Banking Corporation and The British Bank of the Middle East announce that their base rate for lending is being increased, with effect from 1st December, 1977, from 6% per annum to 7% per annum.

Handwritten signature or scribble at the bottom of the page.

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We have coverage in depth, too. So that you can pick a machine that's perfectly matched to the job you want it to do. Our approach has paid dividends.

In ten years we have grown into a world leader in a very tough field.

With sales and service in 190 countries.

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FINANCIAL TIMES SURVEY

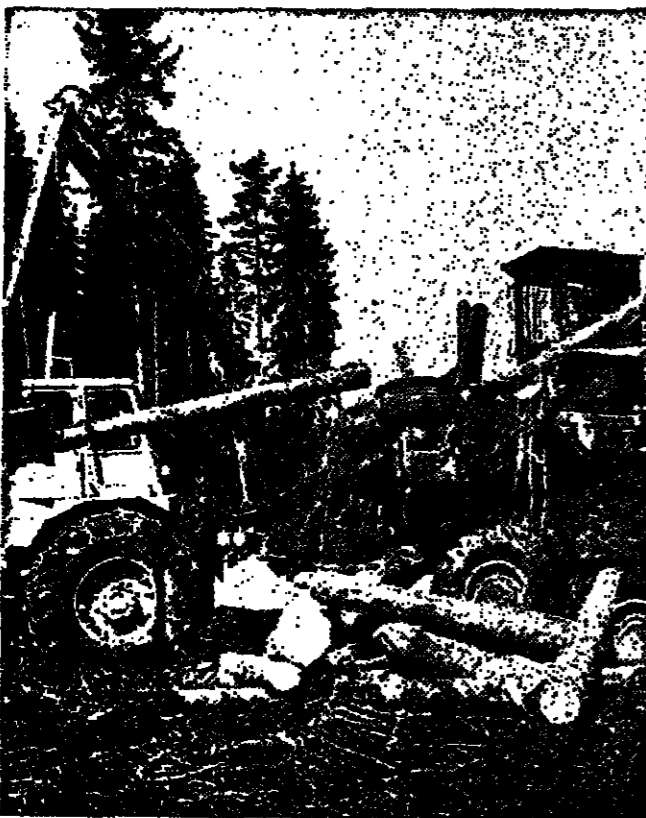
Thursday, December 1 1977

Nordic Banking and Finance

The banking systems and financial markets of the five Nordic countries are strongly influenced by one common factor — large national balance of payments deficits. A major effect of substantial foreign borrowing has been to increase interest rates at home, although domestic banks have managed to expand their international operations considerably.

ADVERTISEMENT

For Business and Finance with the Nordic Countries consult the Cooperative Bankers.



Wood processing prototype in Sweden scheduled to go into production with financial guidance from Föreningsbankernas Bank.

International trade has always been a vital factor in the economic development of the nordic countries. The many items they sell abroad range from furs to high quality cars, from heavy engineering equipment to dairy products.

In this vibrant atmosphere of worldwide trade, in both directions, the nordic banking community has acquired considerable experience in

import/export financing, documentary activities and foreign exchange dealing. And banks that operate close to commerce, industry and agriculture are Andelsbanken A/S Danebank, Föreningsbankernas Bank and Osuuspankki Keskuspankki Oy.

They are strong and active financial organisations ideally equipped to guide you in your business dealings in or with the nordic countries.

Föreningsbankernas Bank - your cooperative banking partner in Sweden.

As in most other European countries, Sweden's cooperative banking movement had its roots in the agricultural sector, but today it extends into all areas of industry and commerce.

742 banking offices and branches with 294,075 members make up Sweden's cooperative banking organisation. Föreningsbankernas Bank serves as central clearing and commercial institution for the group.

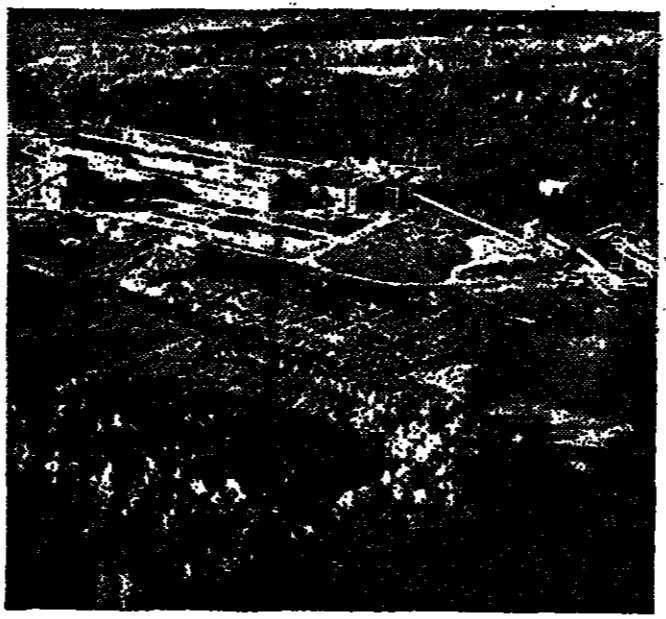
The Bank manages the organisation's liquid reserves

and handles the foreign business of all member banks. Its broad office network provides foreign clients with direct access to the whole country, and Föreningsbankernas Bank can actively help guide customers who seek

trading partners in Sweden. The Swedish cooperative banking organisation is structured in three tiers: Föreningsbankernas Bank, 12 regional banks and a total of 742 service outlets.

Föreningsbankernas Bank (Group)
Financial Highlights as at October 31st, 1977

Balance Sheet Total	Sk. 14,432,425,000.00
Total Deposits	Sk. 12,726,241,000.00
Total Loans Outstanding	Sk. 19,401,244,000.00



Forestry plantations in Finland with financing mainly from OKOBANK.

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Thanks to its traditional export financing activities involving currency dealing and documentary services, OKOBANK has developed into one

of the country's foremost international banks, providing all the services one has come to expect from a leading financial institute.

OKOBANK, which stands for Osuuspankki Keskuspankki Oy, is the central bank of the cooperative banks organisation covering the whole of Finland. There are 378 member banks with 816 branches and in all there are 1,193 cooperative banking offices throughout the country.

OKOBANK Osuuspankki Keskuspankki Oy - Financial Highlights:

Balance Sheet Total at June 30th, 1977	
OKOBANK	Fmk. 4,014 million
Cooperative banks	Fmk. 12,528 million
Total Deposits at October 31st, 1977	
OKOBANK	Fmk. 1,926 million
Cooperative banks	Fmk. 10,160 million
Total Loans Outstanding at October 31st, 1977	
OKOBANK	Fmk. 2,905 million
Cooperative banks	Fmk. 16,117 million

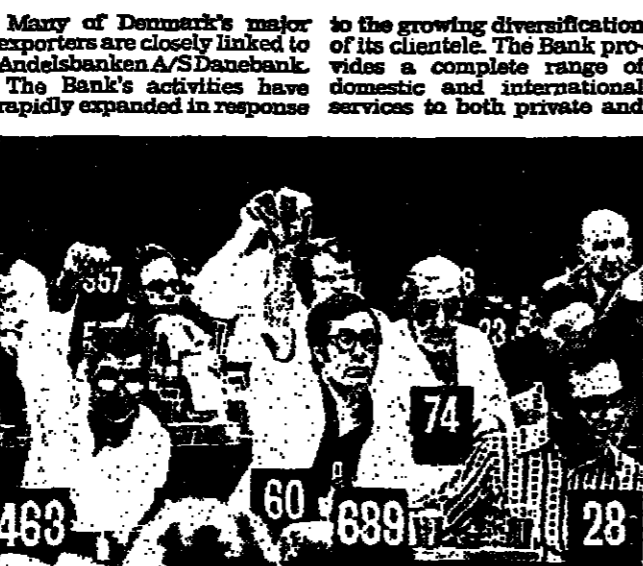
More than a fifth of all public deposits are put in cooperative banks, the equivalent of 10,160 million Fmk. At the same time total loans outstanding reached 16,117 million Fmk.

OKOBANK has handled foreign currency transactions for well over 25 years, and its international business together with its advisory services to foreign customers continues to expand at a rapid pace. Today OKOBANK is the third largest commercial bank in Finland and its corporate clients include business enterprises from all levels and sectors of the Finnish economy.

OKOBANK regularly participates in big project financings. It acted as co-manager in the Metsä-Botnia financing operation, one of the largest investments in the private sector in Finland in recent years.

OKOBANK plays a major role in financing forestry products which are in demand all over the globe and it is also the main financier of the Finnish dairy industry. Investment activity in this economically vital sector continues to expand. Finland is a world-renowned exporter of cheese, butter and powdered milk.

OKOBANK also finances the fur trade on a broad scale. It handles the financial requirements, both domestically and internationally, for some of the world's largest fur exporters.



Fur auction in Copenhagen, one of the biggest in the world visited by more than 1,000 buyers.

Andelsbanken, Danebank, one of Denmark's top four commercial banks.

Many of Denmark's major exporters are closely linked to Andelsbanken A/S Danebank. The Bank's activities have rapidly expanded in response

to the growing diversification of its clientele. The Bank provides a complete range of domestic and international services to both private and

corporate customers. It offers attractive deposit and savings schemes, finances building and construction, deals in bonds and shares, provides funds for working capital and raises medium and long-term funds in domestic and international capital markets.

As a result of many years of worldwide activities, Andelsbanken is well known in international financial circles. It is active in the foreign exchange market, currency deposits, as well as in Eurobonds. In addition, the Bank is heavily involved in the settlement of its

customers' international payments and in the finance - via the Eurocurrency markets - of their exports, imports and investments.

Andelsbanken A/S Danebank also finances the production and export of furs. With demand on the rise, the export of mink skins is playing an increasingly important role. Fur breeders from the nordic countries have organised one of the world's biggest fur auctions held in Copenhagen. More than a thousand buyers from around the world visit this auction every year.

With more than 90,000 shareholders, the Bank has a strong and broad base. At the same time close on 280 service centres throughout the country provide comprehensive commercial banking facilities.

Andelsbanken A/S Danebank - Financial Highlights as at October 31st, 1977

Balance Sheet Total	Dkr. 10,292,489,510.19
Capital plus Reserves	Dkr. 682,414,922.05
Total Deposits	Dkr. 7,133,157,172.17
Total Loans Outstanding	Dkr. 4,995,821,677.51

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International Division
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Telex: 27086 daneb dk

Föreningsbankernas Bank
Foreign Department
Crev. Tungsten 30, Box
S-10240 Stockholm
Telephone: 08-22 43 20
Telex: 10627 faba s

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In the nordic countries the shareholders are Andelsbanken A/S Danebank in Denmark, Föreningsbankernas Bank in Sweden and OKOBANK in Finland.

If your business interests are focused on any of these nordic countries, consult London & Continental Bankers Ltd. or the shareholders operating in these markets. You may well find that the dual meaning of "cooperative bankers" is more than fulfilled by the excellence of its services.

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Self-insights

NORDIC BANKING AND FINANCE III

Pension funds take their share

SWEDEN'S Allmänna Pensionsfonden (AP) was founded in 1960. It was seen as a way of increasing savings and maintaining investment but was also the object of considerable political dispute. Many private bankers and businessmen feared that it would dominate the credit and capital markets and grow so large that it would become uncontrollable. Similar supplementary pension funds, varying in organisation and control procedures to suit national political preferences, had appeared in Finland in 1963, Denmark in 1964 and Norway in 1967.

None of the latter have reached the dimensions of the Swedish AP Fund but they have all become important purveyors of investment funds. Fears that they could distort the functioning of the credit and capital markets have not been justified. This is probably due to the fact that they were largely modelled to fit existing market patterns and, with the possible exception of the Norwegian fund, have had considerable independence in determining their own investment policies.

Payments

Inflation and changes in the level of pension payments have started to create problems during the last few years. The difficulty of obtaining a real rate of return on investments and the decrease in the proportion of funded money to pension disbursements has meant that the investment potential of the funds has started to taper off. In Sweden at least this has led to discussion of possible new methods to stimulate savings and raise new investment capital.

The AP Fund currently has just under 30 per cent. of the credit market and 40 per cent. of the capital market. The funds are administered by three

boards, one receiving contributions also from the Government, local authorities and public corporations, one from employers with 20 people or more on their charge sheets and one political dispute. At the end of 1976, the 17th year of the AP Fund, their combined investments totalled just over Kr.99bn. (\$20.6bn.). The book value of their capital resources includes interest receivable, so that at the turn of 1976 their total capital resources had passed the Kr.100bn. mark.

The funds available for investment represent the difference between the income from contributions and interest and the expenditure on supplementary pensions and administrative costs. In 1976 the tapering off in the annual investment growth, which started this decade, was arrested and investment capacity was nearly Kr.13bn. (\$2.7bn.). This was due to the rise in contributions, emanating partly from extra payments of Kr.750m. produced by adjustments to the collecting system. The underlying trend is still towards a slowing down in the growth of the AP Fund's investment capacity.

Moreover, in 1976 for the first time income from interest did not cover the Fund's pension payments. The chief reason was the higher inflation rate, reflected in pension levels, but the lowering of the retirement age in 1976 from 67 to 65 years also played a role. Previous estimates of the Fund's development, which formed the basis for the Government's decision on the level of contributions, had not expected this swing to occur before the middle of the 1980s.

The three boards' investment activity is subject to very limited state control. The Riksbank (Central Bank) with government approval can oblige them to invest to a certain level in government or housing

bonds—an obligation which is also laid on the banks and insurance companies—but otherwise the boards determine their own policies. In 1976 they invested 38 per cent. of the Kr.13bn. available in the business sector, 31 per cent. in housing, 23 per cent. in government paper and 10 per cent. in local authorities.

The recent trend has been decidedly to favour industry at the expense of housing, although investment in government bonds has shot up in the last two years, as the budget deficit has soared. The AP Fund placed Kr.250m. in two institutions which convert bank loans into long-term credit for investment in small businesses. It is the main source of credit for these institutions, to which it has so far lent more than Kr.1.25bn.

Systems

Finland and Denmark have somewhat different systems in that the supplementary pension funds were formed by agreement between the employers and unions, and are run by them. Parliament legislated in accordance with the labour market partners' wishes.

Finland is unique in that the pension funds are all operated by private insurance companies under the supervision of the Ministry of Social Affairs and Health. The employers and unions are represented on all of the fund boards. The insurance companies provide just over 11 per cent. of the total outstanding loans to the public and by far the larger part comes from the pension insurance. Outstanding loans by the insurance companies at the end of 1976 were Fmk.11.8bn. (\$2.8bn.).

A particular feature of Finnish pensions is the automatic relending or feedback

system. Employers can pay up to 80 per cent. of their premiums in the form of loan certificates carrying an 8 per cent. coupon and with repayments at an 8 per cent. annual rate. Now investment last year by the Finnish pension insurance companies was Fmk.1.8bn., of which 65 per cent. was in the form of relending.

In contrast the Swedish AP Fund has found that its refinancing facility has not been exploited much by employers. They have the possibility of taking up in any one year bank loans equivalent to half their premium payments in the previous year, which the banks can refinance with the fund. Such lending in fact comprises only 5 to 6 per cent. of the Swedish fund's total.

Denmark operates two main pension funds, the ATP which is entirely controlled by the employers and unions, and the Social Pensions Fund, set up in 1970 as a fiscal policy device and funded by a 2 per cent. levy on ordinary income tax. This money is invested by a committee and so far it has not been decided how pension payments should be made.

In 1976 the ATP invested just under Kr.1.2bn. (\$169m.) on the bond market and the social pensions fund just over Kr.3bn., making up some 15 per cent. of total new investment. A further Kr.1.7bn. came from the pension funds operated by professional groups, such as doctors, lawyers, economists and sociologists.

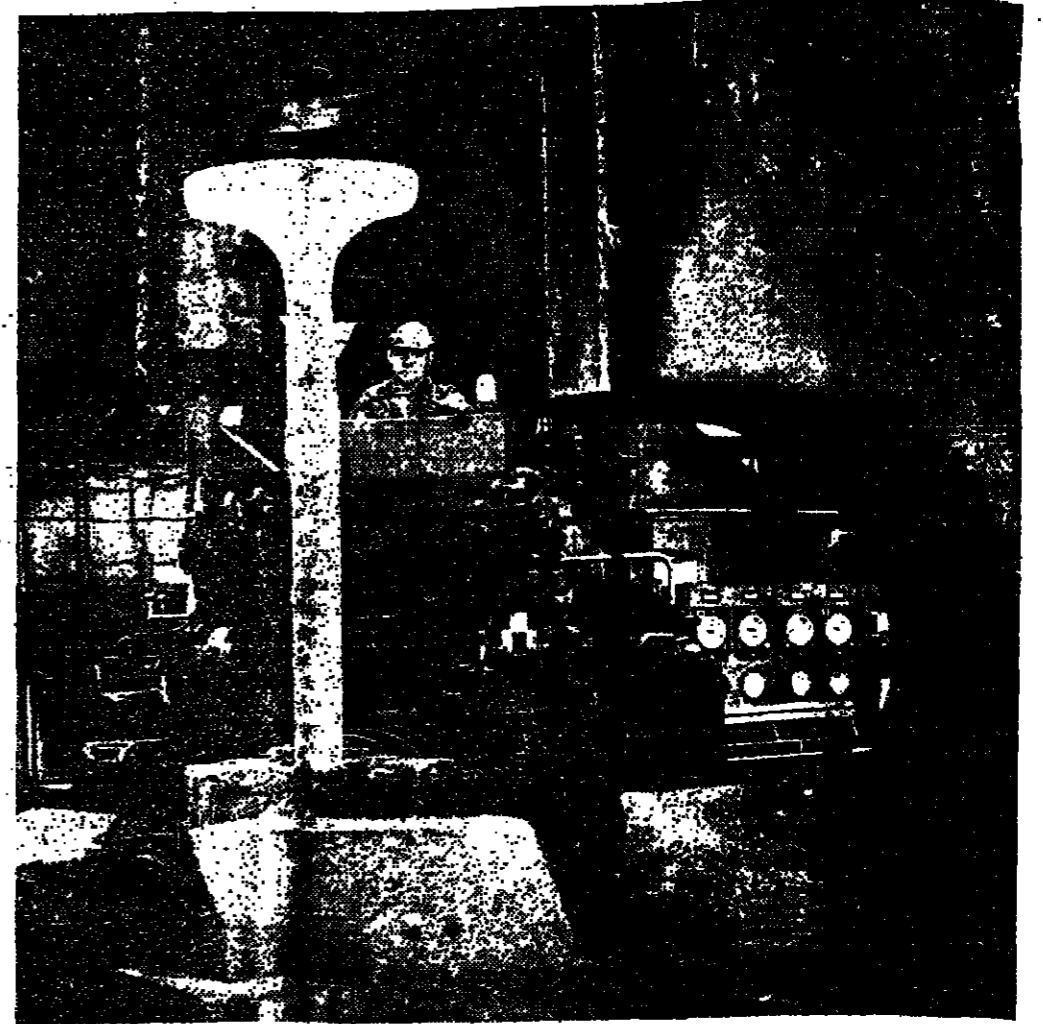
In Norway the National Pension Fund (Folketrygdfondet) is the funding institution of the national insurance scheme, financed by the surplus of income over expenditure in that scheme. This surplus depends largely on a direct contribution from the State Treasury which in recent years has in turn been part of the incomes policy package settled annually by the

employers, unions and Government.

The Fund re-invests its own income and repayments, although legally it could be called on to meet any deficit on the national insurance scheme. Its total funds, Kr.12.2bn. (\$2.25bn.), are less than the annual investment of the Swedish AP Fund and its investment policy is the most rigidly controlled of all the Nordic funds. This is a reflection of the closer Government steering of the credit market as a whole in Norway.

Investments are made by five regional boards and go to the bearer bond market, of which the Fund took up just under 23 per cent. of total new issues, valued at some Kr.6bn. in 1976. It holds a similar proportion of total bond issues.

W.D.



Although Sweden relies on foreign loans, its industrial export performance is good. Above, a marine diesel exhaust valve is being forged at the Stora Kopparberg steelworks, Vikmanshyttan.

Swedish banks rely on foreign business

THE SWEDISH BANKS have not been operating this year under the unusual combination of a recession and officially enforced credit restrictions. The account balance since 1950, Rudolf Jalakas, chief economist of Svenska Handelsbanken, draws the conclusion that Sweden's payments position has been gradually weakening for the past 25 years.

The underlying trend is determined by two facts: the decline in the net shipping income in real terms and the steady increase in the outflow on the invisibles side — on Sweden's foreign travel, the Foreign Aid Bill and the repatriation of earnings by foreign workers in Sweden. This underlying trend was broken temporarily in 1971-1973, when the Social-Democrat government applied a tight credit squeeze.

Another feature on the domestic banking scene is the swift growth in the budget deficit, expected to reach Kr.30-35bn. (\$6.25-7.25bn.) in 1978. The full consequences of this development for the banking system have yet to appear but it can be assumed that the demand for foreign loans will continue through next year and there will be a further increase in the total credit volume, so that bank earnings need not fall.

When the interest payments on the current foreign loans are added to the invisibles and the current sale of ships from the merchant fleet is taken into account, it becomes evident that Sweden is facing a long-term liquidity problem. Of this year's Kr.18.5bn. payments deficit, only Kr.7.75bn. comes from the trade deficit. Sweden would have needed to generate a trade surplus of some Kr.9bn. (\$1.87bn.) to balance the invisibles and the big problem of the 1980s will be how to achieve heavier foreign debt entails the taking exchange risks, a fact underlined by the successive devaluation of the Swedish krona over the past 15 months.

This may not cause too much concern as long as the volume of foreign business keeps growing and it is becoming more evident that the expansion of foreign borrowing curbs which would conflict badly over the last three years will with Sweden's need to have free

access to international markets, an incomes policy which the present non-Socialist government may not be capable of implementing or a realignment of exchange rates.

The 10 per cent. devaluation of the Swedish krona at the end of August is estimated to have halved the relative unit labour cost gap between Sweden and the average costs in 14 competing countries. The companies should get further relief from the 2 per cent. cut in payroll tax which becomes effective next year and, by retaining labour during the recession, they must have a substantial productivity reserve. Nevertheless, the build-up in export demand is delayed beyond the second half of next year, Sweden is in trouble.

On the domestic market this year banking developments have contradicted the textbooks which state that every credit creates a corresponding deposit. The growth in bank deposits will be roughly 3.5 per cent., which means a fall in real terms. This has been due largely to the drop in deposits from industry, as companies have had to find cash to finance stocks.

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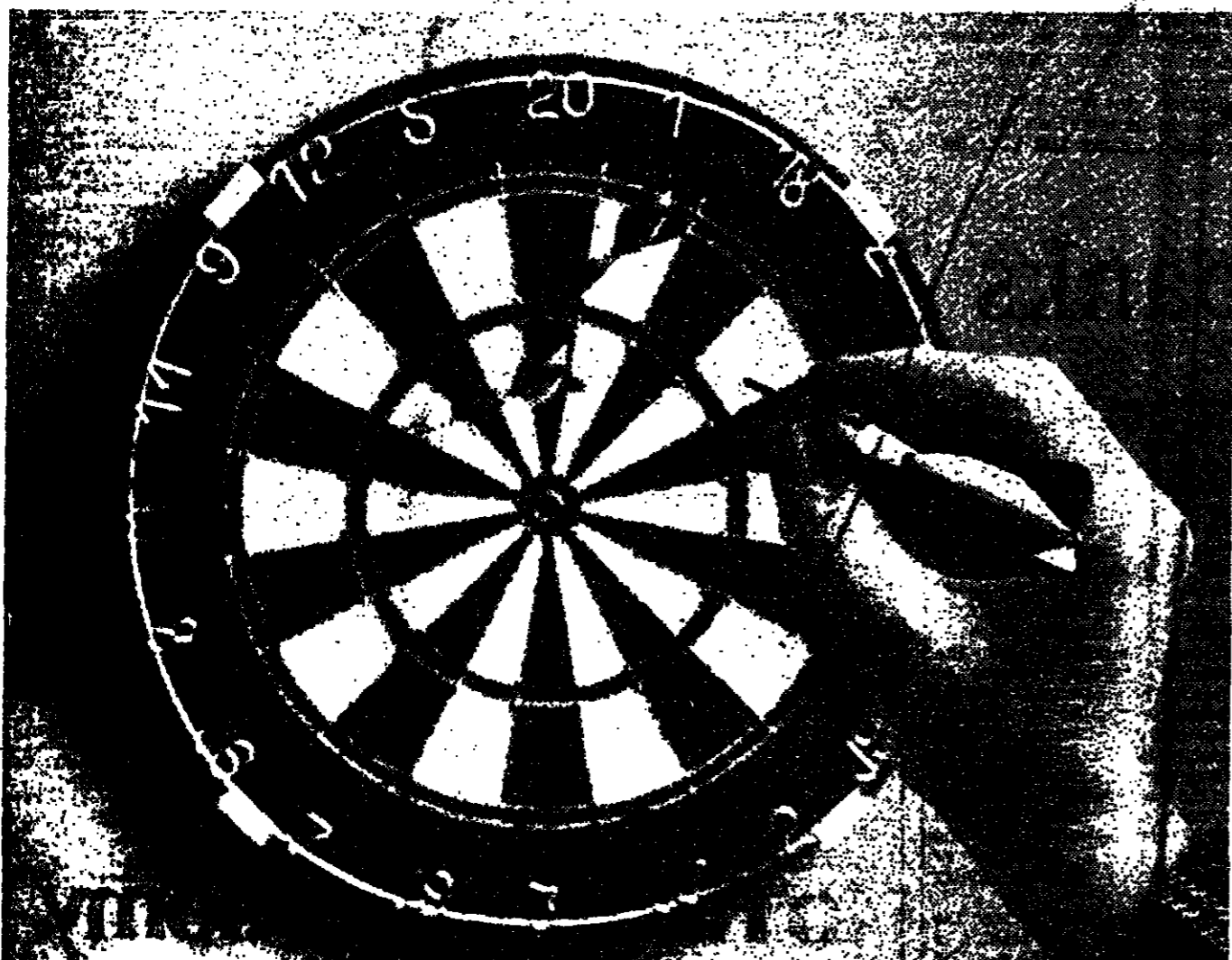
ably higher than the long rate. This development has squeezed the banks' placement margins. It has intensified the battle for the so-called "special deposits" and at least temporarily interrupted the realisation of the capital market, which started in 1975, when the link between the short-term and long-term interest rates was removed and the long rate was increased.

Total borrowing on the Swedish bond market rose by close to 30 per cent. to almost Kr.29bn. in 1975, last year it fell back to Kr.27.8bn. A figure to set against this is the anticipated state budget deficit of Kr.30-35bn. for the financial year beginning on July 1 next year. It produces an intriguing background for the report from the Capital Market Commission which is due early next year.

The "special deposits" where interest rates are nominally free are designed to attract companies short-term money. Competition for this "grey market" has been, particularly severe this year, as the banks have fought to increase their liquidity ratios and to avoid the penalty interest rates on their borrowings from the Riksbank (Central Bank). Special deposit rates are now 12-12.5 per cent. and in some cases even higher. The latest report from the bank inspectorate calculates that there is some Kr.21bn. in the "special deposits" or about one-fifth of total deposits.

Also in the market for these deposits are the finance companies several of which are bank subsidiaries and which are not under Riksbank control. A Bill to bring them within the Riksbank orbit is in the pipeline. The overall effect of the competition for "special deposits" however, has been to force up deposit rates and to squeeze further the banks' margins. They have good reason to be thankful for the acceleration in their foreign business.

W.D.



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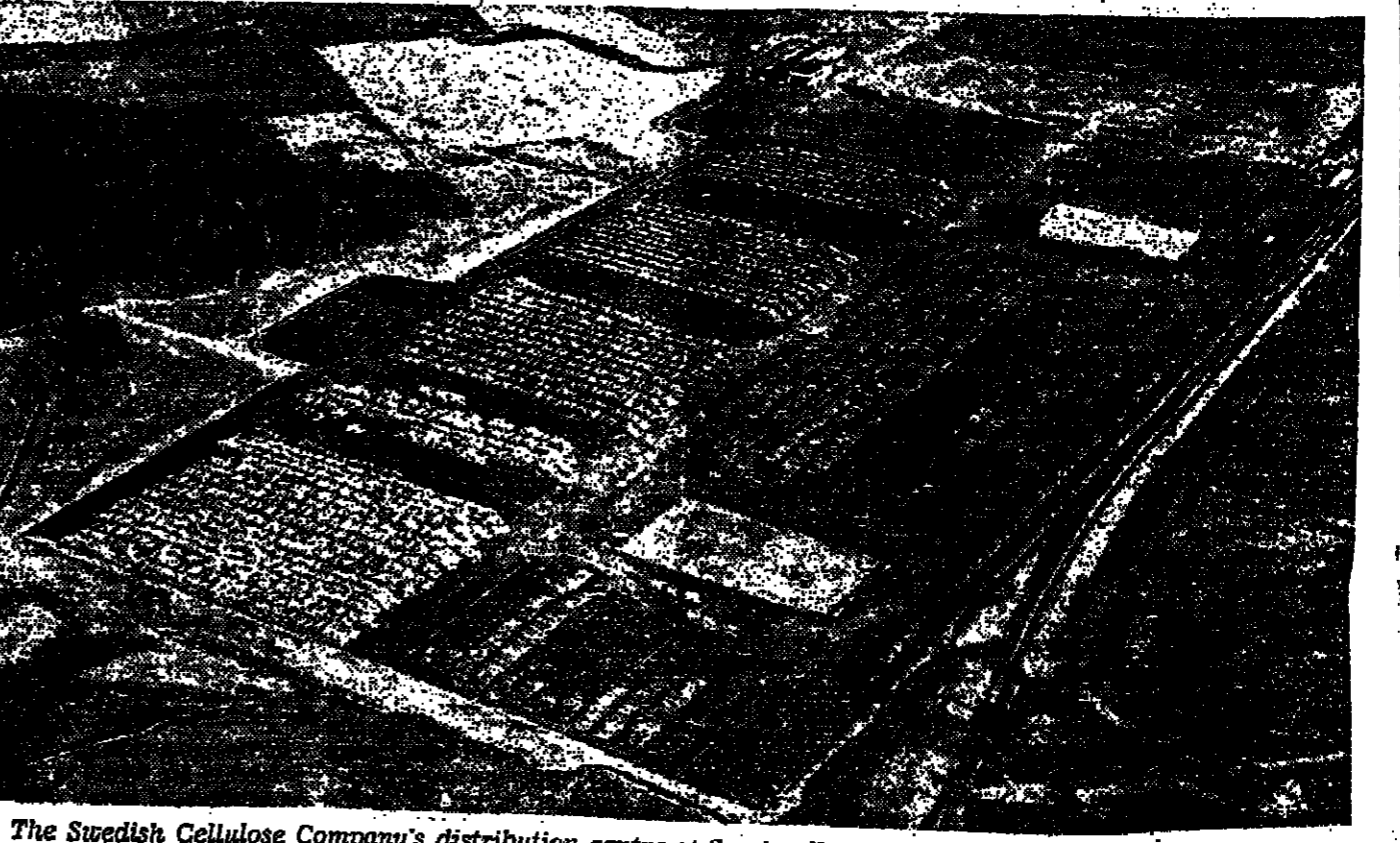
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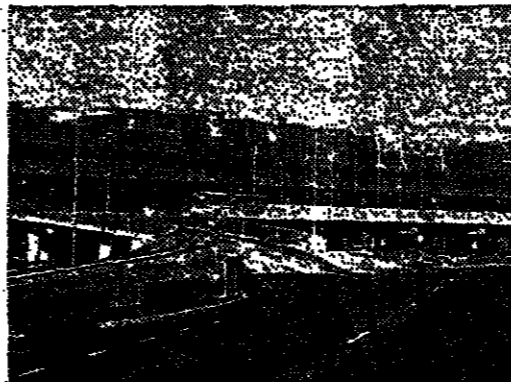
The Swedish Cellulose Company's distribution centre at Sundsvall. Timber and its derivatives are a major source of Swedish export revenue.

Spilinsita

Our local business is often international business



Financing of North Sea oil developments calls for vast amounts of capital. As member of the Norwegian Banking Group for Petroleum Financing, the Union Bank of Norway Ltd has participated in the financing of all major projects on the Norwegian continental shelf.



A considerable amount of international financing is involved in the services to local governments provided by Sparbankernas Bank through its subsidiary, Kommun Kredit—which helped to finance the new terminal at Stockholm-Arlanda airport (above). By borrowing abroad, Sparbankernas Bank and Kommun Kredit have provided funds for a wide range of local government projects.



In Finland, the financing of housing by the savings banks extends to the industry itself, and among Skopbank's clients is Makrotalo, manufacturer of prefabricated housing. The build-up of this company's exports has been aided by foreign-trade experts of the bank, which has also provided credits and guarantees enabling buyers to use local capital resources.

Serving corporate clients, often with international participation in the field of industrial financing, is an increasing part of the Nordic savings banks' business. In Denmark, Fællesbanken has for instance been financially involved in the process of expansion that has made Faxe Brewery the country's third largest. Fællesbanken, too, raises loans abroad for savings banks' customers as well as its own.

It goes almost without saying that there is plenty of local business within the savings banks systems of Scandinavia and Finland. Some 5,500 bank offices spread throughout the area ensure that. Attracting between a quarter and two-fifths of the deposits in each country, the savings banks wield considerable resources. Traditionally providers of mortgage loans for housing, they are increasingly occupying the field of corporate and municipal finance as well. This often involves international operations, for which the local banks in each country can call on the services of a strong central bank. Through their securities and foreign departments, these full-service commercial banks provide, together with the affiliated Banque Nordeurope, Luxembourg, the links with international capital and money markets that industry and local governments today require. Here are opportunities for business that are worth considering.

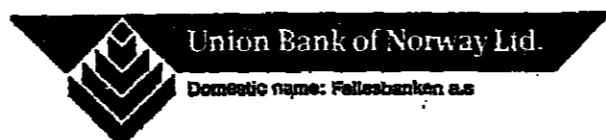
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A principal source of short and medium-term loans in Euro-currencies for Nordic savings bank customers, Banque Nordeurope is actively engaged in international capital and money markets, participating in bond issues and the establishment of loan consortia.

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NORDIC BANKING AND FINANCE V

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Norwegians try to curb credit

THE VICTORY of the Labour Government in the September parliamentary elections in Norway has made it certain that the country's banks more "democratic" will be put into effect next year, despite continued strong criticism of the change from the non-socialist opposition.

The new laws, passed by the previous Storting (Parliament) last summer, will change the organisational structure of the banks and alter the balance of power in their governing bodies. In the case of the commercial banks, majority control will pass into the hands of public appointees, who will hold eight fifteenths of the seats on the banks' representative councils. In the governing bodies of the savings banks, public appointees will have equal representation with depositors. The banks' employees will also be represented, while shareholders (depositors in the mutual savings banks) will have only a minority say.

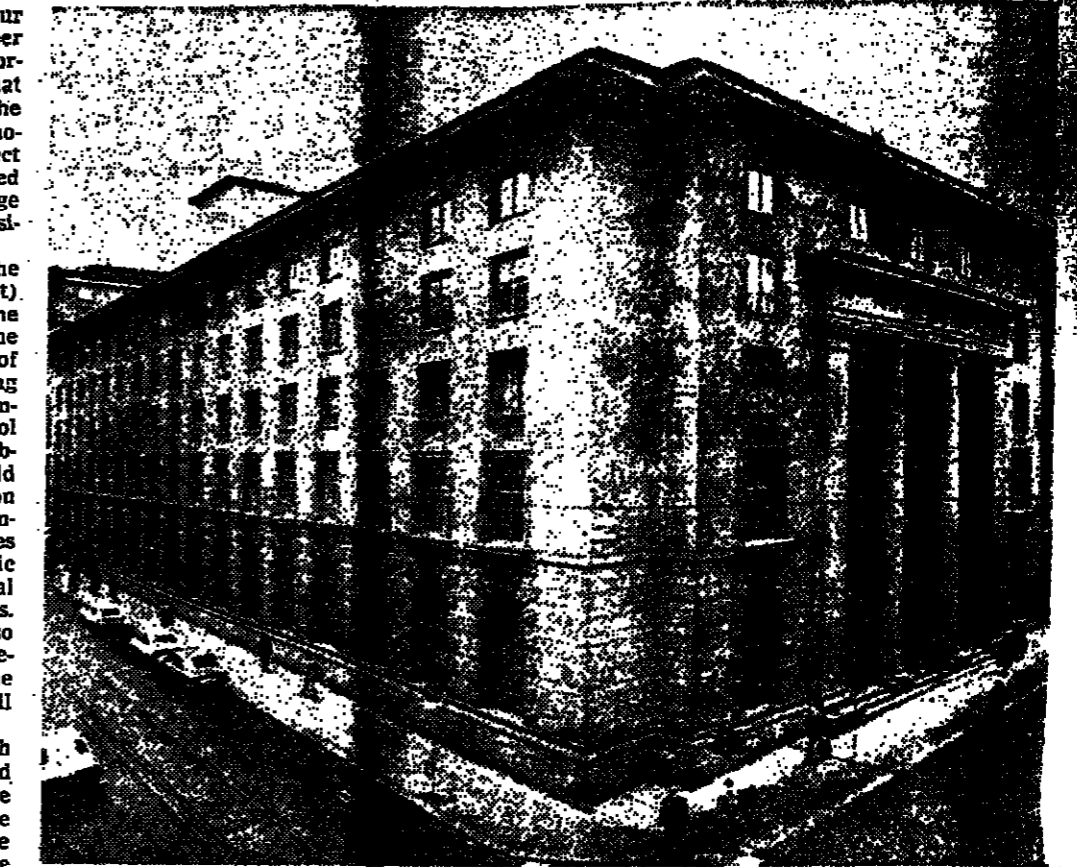
In a White Paper last month the Ministry of Finance laid down guidelines for the Storting's Finance Committee about the appointment of the "public watchdogs" who will sit on the representative councils of Norway's 27 commercial banks. It suggests that the Storting itself should appoint these members in the case of the 11 banks whose interests span several counties, or the whole country. For the 16 banks whose interests are concentrated locally, the authority to appoint should be delegated by the Storting to the county councils—or, in the case of Oslo, to the City Council.

The eleven banks whose public appointees will be selected by the Storting itself are: Den norske Creditbank, Andresens Bank, Bergen Bank, Christiania Bank og Kreditkasse, Fellesbanken, Bøndernes Bank, Fiskernes Bank, Landsbanken, Samvirkebanken, Forretningsbanken and Vestlandsbanken.

Appointees

It is worth noting that the public appointees the Storting selects will not all be socialists, even though Labour and its socialist ally, the SV, together have a one seat majority in the Storting. The new laws say nomination of public appointees should reflect the composition of the elected body which nominates them. This means that in a county where the Conservatives, for instance, are in a majority on the county council, the public appointees to local banks will include a majority of conservatives. This does not, of course, alter the fact that the shareholders will be in a minority on the banks' representative councils, once the law takes effect.

Last month's White Paper also decisively rejected the Opposition's final appeal—during the debate on the Speech from the Throne—that the Government should reconsider its plans to "democratise" the banks. The paper declared that the issue had been thoroughly debated and the Government



Den norske Creditbank's Oslo head office.

could see no political, technical or economic grounds for such reconsideration.

On the same day that the White Paper was published, the Government named the members of the independent bank commission which will determine the level of compensation to be paid to shareholders wishing to sell their bank shares to the State. A provision of the commercial bank reform law states that shareholders who wish to do so may sell their shares to the State, within a period of three years from January 1, 1978, either at the market price on that day or the average price over the three preceding years, whichever is the higher. The commission will work out the details of fixing an average price over the years 1975-77—a process which will take a little time, for technical reasons. The commission will have to decide, for instance, on what basis the average is to be calculated—whether on daily, weekly or monthly quotations. There is also the problem of banks whose shares are not quoted on the Oslo Stock Exchange.

The new legislation will take effect from January 1, 1978. For practical reasons, however, it will not be fully implemented until the banks' 1977 accounts have been approved. When it does come into force, there is unlikely to be any immediate rush by shareholders to cash in their shares. The knowledge that the law was coming—with its promise of optional share redemption at prices linked to earlier values—has in fact sustained the value of bank shares in the general price slide which has taken place on Oslo's stock exchange this year. While the indices for shipping, industrial and insurance shares

have fallen by 40.1 per cent., 27.7 per cent. and 24.5 per cent., respectively, the index for bank shares declined by only 8.2 per cent., from January to mid-November.

Shares in shipping, industry, even insurance, are not very tempting buys in Norway at the moment, in the present atmosphere of concern and uncertainty about the country's immediate economic future. Holders of bank shares, on the other hand, have three years' grace—during which they are free to decide whether to hang on to their stakes in the banks or sell out and put their savings into something else.

Loss

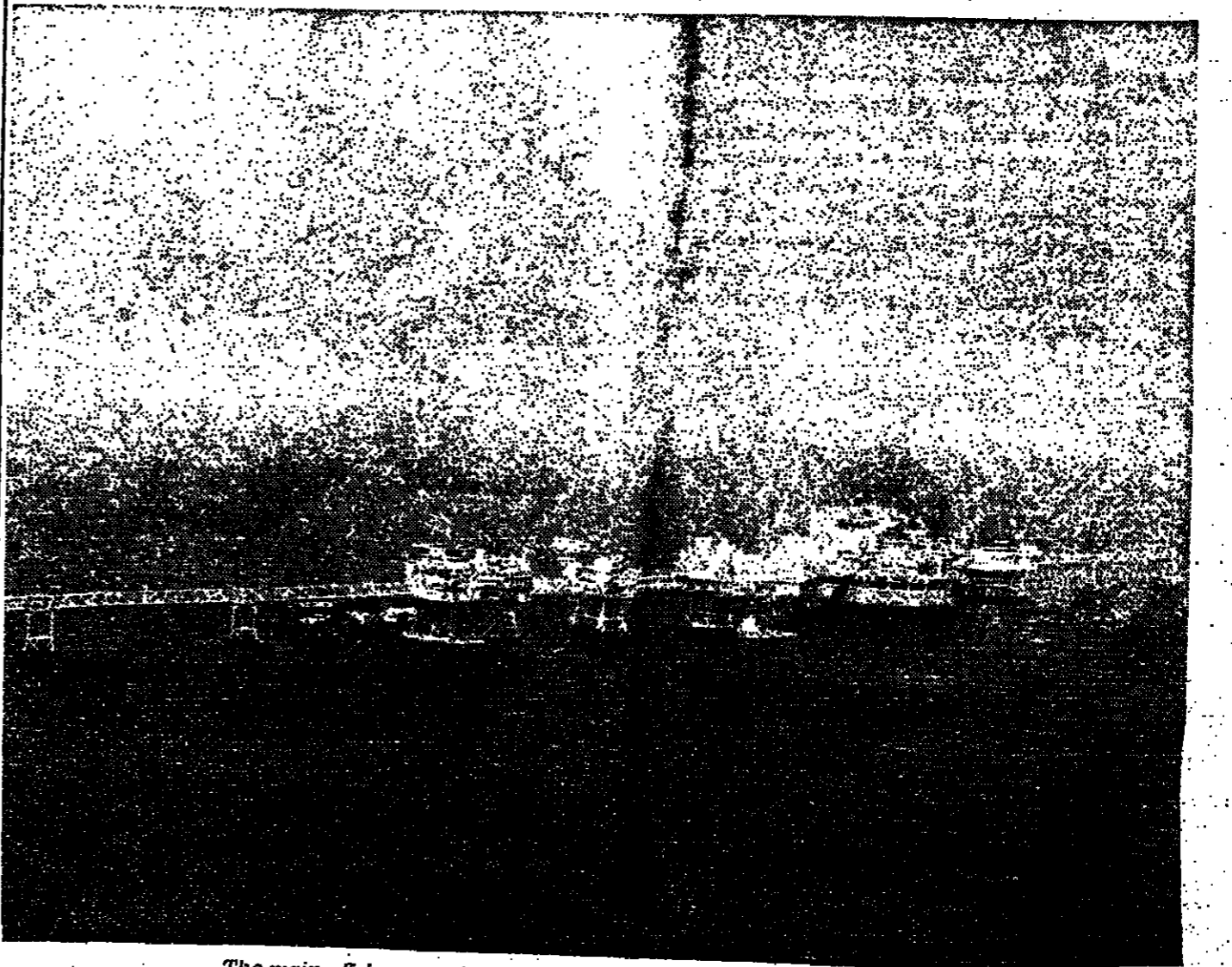
Such shares as do find their way into State hands are to be sold again as soon as the State can dispose of them without serious loss. The measure is not intended to make the State a major holder of bank shares—though some of its critics have claimed that this is precisely what it will do. They believe that many shareholders will sell, and share prices will fall so sharply thereafter that the State will not be able to resell without a loss. The next three years will show whether these fears are justified.

Meanwhile, government credit policy with regard to the private banks has been exceptionally strict this year. The official curbs, which have been gradually tightened as the year has progressed, have been designed to partly offset increased lending by the State banks, and an expensive financial policy generally. In January, the ratio for obligatory bearer bond holdings was increased from 33 to 35 per cent. for commercial banks in southern Norway, and from 15 to 17 per cent. for banks in the north (where credit curbs are always less stringent, reflecting the region's special problems). The primary reserve requirements (from which banks in the north are exempt) have been raised no fewer than four times, this year, for banks in southern Norway. The last increase, on November 1, brought the rate to 9 per cent. for commercial banks and 7 per cent. for savings banks, and was expected to reduce liquidity by a total of NKR.1bn. to NKR.600m. being taken out of circulation by the commercial banks and the rest by the savings banks.

Despite these curbs, lending by both commercial and savings banks has been consistently running higher than the targets set in the National Budget for 1977. This said that the credit supply by the private banks this year should total NKR.6.5bn. to NKR.3.6bn. from the commercial banks and NKR.2.9bn. from the savings banks. In the autumn, the authorities adjusted these "ceilings" upwards by a total of NKR.1bn.—to NKR.4.1bn. for the commercial banks and NKR.3.4bn. for the savings banks.

Bank of Norway intervention in the currency market, in support of the krone, has also helped remove some liquidity from the private banking system. Purchases of foreign currency by the banks have, however, been lower than anticipated through most of the year—possibly because of the relatively low interest rates prevailing abroad. Only recently has the Bank of Norway had to intervene on a somewhat larger scale.

Fay Gjester
Oslo Correspondent



The main offshore production complex on Norway's rich Ekofisk oilfield.

Spil i Norge

NORDIC BANKING AND FINANCE VI



Prices being marked up on the floor of the Copenhagen Stock Exchange.

Danes cope with debt burden

A HEADLINE IN a Danish newspaper the other day ran: "Denmark teaches the EEC how to borrow." Well they might. Two of the principal preoccupations of the Danish authorities to-day are how to borrow enough abroad to finance the current balance of payments deficit and how to borrow enough on the domestic market to prevent the budget deficit flooding the country with money.

The Danes have, of course, always had a tendency to gamble when it comes to managing the national economy (oddly, private gambling is very tightly restricted), borrowing vast amounts of money abroad whenever markets have permitted it and paying for it later with forced retrenchment at home when either markets dried up or the debt became too big to sustain. This, in a nutshell, is the financial history of Denmark over the past century. And they have never been further from a break with the past than they are to-day.

Between 1960 and 1973 the current balance of payments deficit averaged 2 per cent of the gross domestic product, so when the oil crisis struck, the country already had a large net foreign debt. Since then the current deficit has run at an average of 3 per cent of GDP and the foreign debt has climbed rapidly.

At the end of last year the net foreign debt was about Dkr.38bn. or 14 1/2 per cent of gross domestic product. By the end of this year the debt will probably be about Dkr.55bn. and about 17 per cent of GDP. Bankers expect that by the end of the decade the debt will have climbed to about Dkr.80bn.

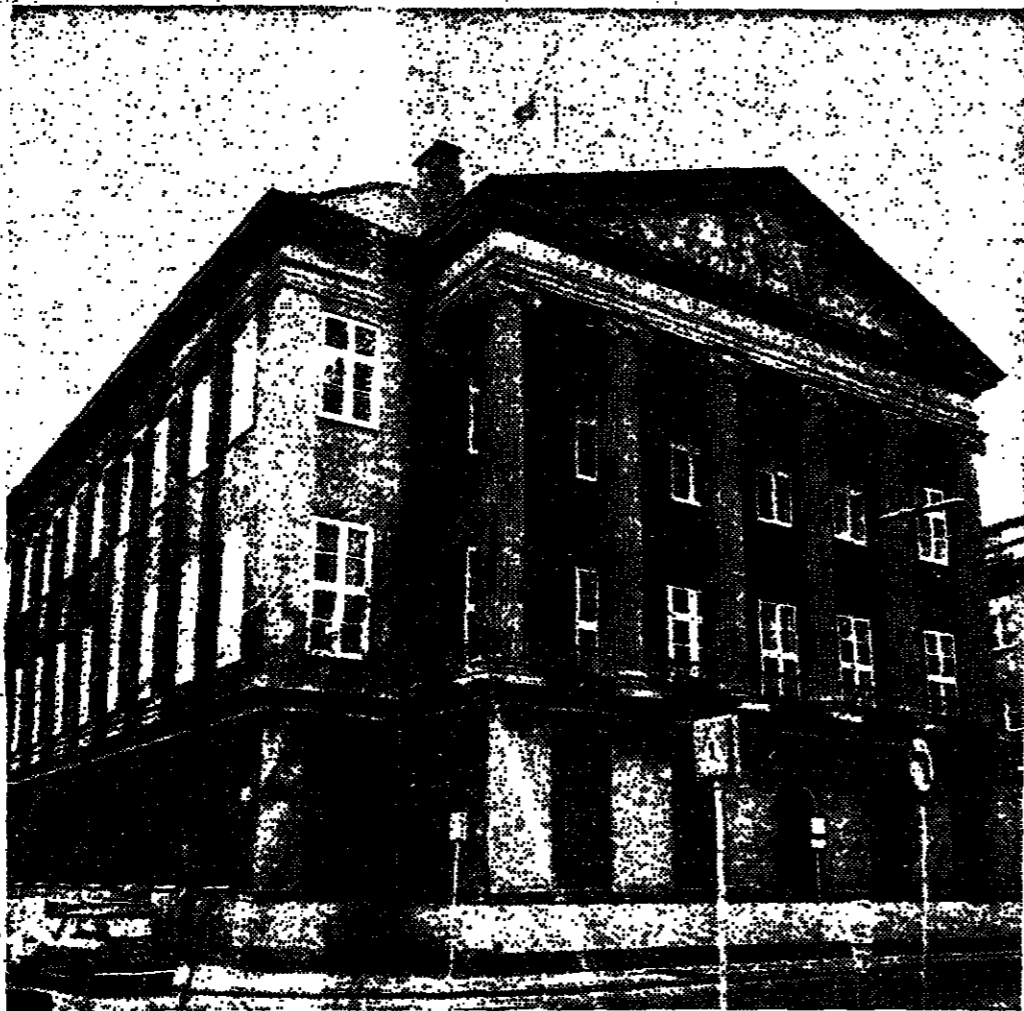
Until recently the current external deficits were financed mainly by the private sector, but over the past two years the government and public sector as a whole have had to borrow on a massive scale. In 1976, the public sector, mainly the State, raised a net Dkr.10.2bn. abroad and in the first nine months of this year the public sector raised another Dkr.6.3bn., while private capital imports came to about Dkr.3.5bn.

Servicing

The cost of servicing the public sector debt alone will amount to Dkr.4bn. this year rising to Dkr.6.9bn. in 1981, according to an official estimate published this month. The actual figure will be considerably larger in 1981 as the published figure did not include loans under negotiation nor did it take into account future borrowing requirements.

The debt servicing (repayments and interest) on the public sector debt this year will come to about 1 1/2 per cent of GDP. Allowing for an inflationary increase in GDP over the next few years, the debt burden may not increase very much proportionately in spite of the large cash rise. Nevertheless, servicing of the public sector debt alone will be of the same proportions as the current external deficit was throughout the 1960s.

Net private sector foreign debt is about the same size as the public sector debt or about Dkr.28bn. Total debt servicing this year will therefore be in the region of Dkr.8bn., rising to Dkr.16bn. by 1981, though this figure is necessarily a very rough estimate as there is no accurate information on the maturity of private sector debt or on the extent of future borrowing. Total debt servicing, however, is of the order of 10 per cent of total export revenue. It will inevitably rise to a high proportion in terms of export income, but it is anyone's



The head office of the Copenhagen Handelsbank.

guess whether depreciation of the Danish krone in coming years will tend to increase the debt burden faster than inflationary growth of exports' values will moderate it.

The foreign debt burden is high by Western European standards, but not especially high by comparison with many less developed countries. Historically, Denmark's foreign debt was proportionately considerably larger in the years immediately before the First World War, but since then it has never been as high as it is to-day.

In the current state of international markets the Danish debt has not created any problems. Foreign banks are, metaphorically speaking, queuing up to lend money to the Government, and the Government is making the best of a good thing while it lasts.

The official foreign exchange reserves are up to a record Dkr.13bn. compared with only Dkr.1bn. at the end of October last year. The funds provide Denmark with a cushion in case a squeeze on international liquidity should emerge next year or later, and they give the authorities additional strength in defending the krone's position as a member of the European currency snake.

The first signs emerged this month that the growing foreign debt is causing some politicians to have qualms. When Finance Minister Knud Heinesen asked for parliamentary authorisation to raise another Dkr.5bn. abroad in coming months, liberal parliamentary spokesman Henning Christoffersen requested the Government to make a more detailed report on the consequences of further public sector borrowing to the parliamentary finance committee.

The domestic borrowing requirements of the Government are of newer date than the foreign ones. The budget was in surplus until 1973 and since the immediate post-war period there has not been a significant national debt.

This changed rapidly when the recession hit the country in mid-1974, causing Government revenue to fall at the same time as spending increased,

especially to cover unemployment benefits. The central government's total borrowing requirement in the fiscal year ending March 31 is about Dkr.21bn. and it will probably rise to about Dkr.27bn. in the coming fiscal year, rising from 7 per cent of GDP to well over 8 per cent.

The borrowing requirement is financed by a mixture of foreign and domestic borrowing from the non-bank sector and the size of sales of Government bonds and bills has had a substantial influence on the interest rate structure, which is the highest in Europe.

Interest rates are kept high by the Central Bank in order to encourage the private sector to raise money abroad, but interest rates have soared well beyond the level necessary for this purpose and have also lost touch with the discount rate which is 8 per cent.

Effective interest rates on Government bonds and mortgage bonds are about 16 1/2 per cent, and rates in the day to day money market have sometimes exceeded 20 per cent, particularly when the banks with arbitrage operations have been in need of liquidity to finance forward foreign exchange dealing.

Criticism

The banks have come under criticism for pushing short-term interest rates up to these levels, partly because an upward drift on deposit interest rates forces them to raise rates on advances. The banks consider the criticism unjustified and blame the situation of the inflexible law on limitation of the spread on interest rates. This legislation obliges each individual bank and savings bank to keep the spread at the average of the three years 1972-74. The point of the legislation was to prevent the banks earning more money when everyone else was supposed to be showing restraint—incomes policy as applied to the banks.

The Minister of Commerce has put forward proposals to amend the law so that he can give individual banks dispensation from the law in the hope

that this can prevent interest rates on advances being pulled up by the competition for short-term deposits at times when bank liquidity is particularly tight. The situation has also given rise to a discussion among the banks on reintroducing the interest rate agreement which ran from 1936 to 1973 and which imposed a uniform interest rate structure on bank deposits.

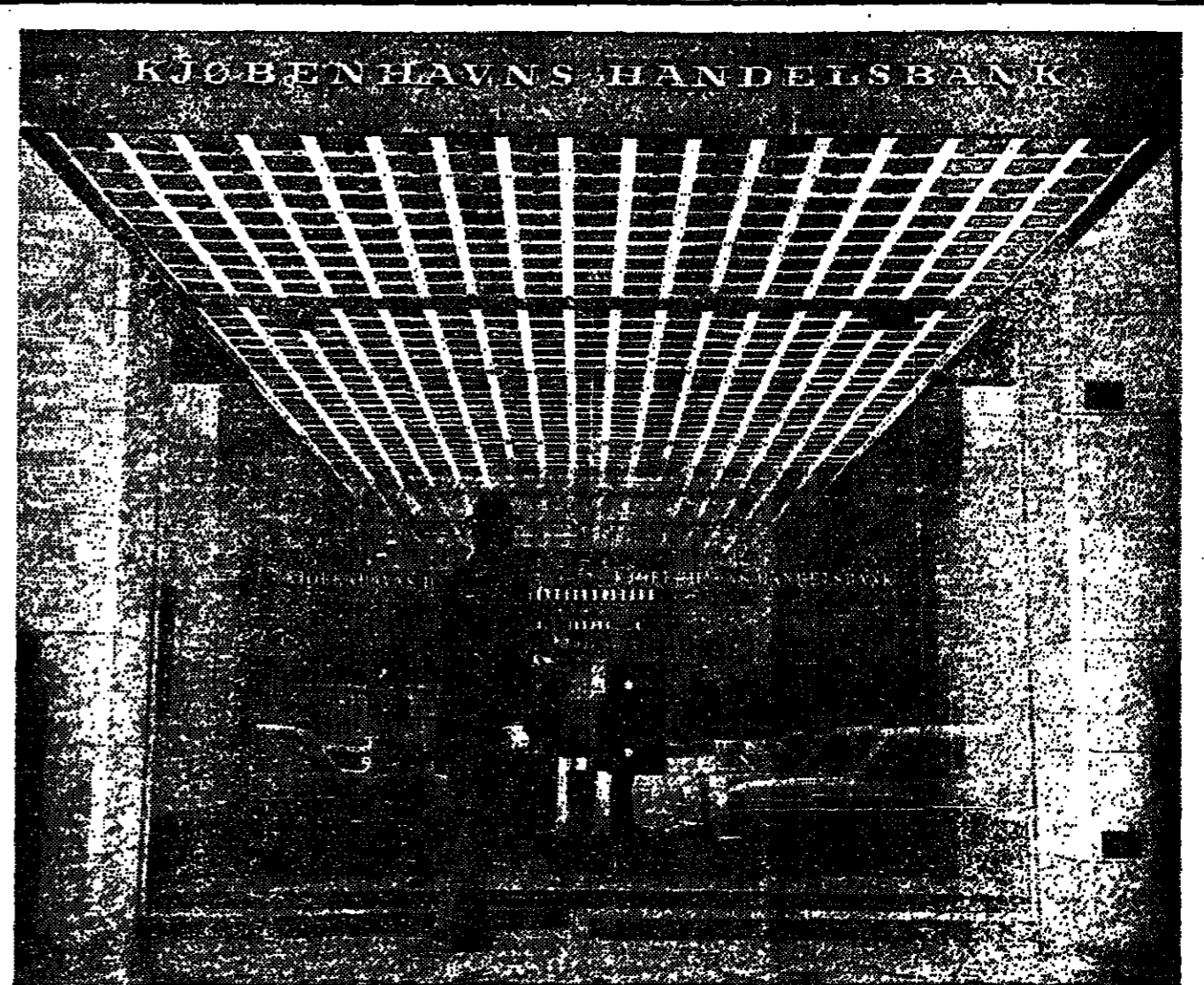
The legislation has duly had its effect on bank earnings. Operating profits have shown only a moderate increase over the past couple of years and little change is in prospect this year. Bank accounts will show a better final net return this year than last, when several banks reported losses. They were due to a fall in the value of securities held, which go into the books at their value on the final day of the year. While at the moment no significant increase in bank portfolio values can be expected, they will avoid the plunge which hit them last year.

Foreign portfolio investment in Denmark was liberalised when Denmark joined the EEC in 1972. Interest in Danish paper was limited, but this year high interest rates, especially on Government bonds, has attracted foreign investors, who have invested more than they did in the past five years together.

From January 1, Denmark is due to liberalise Danish portfolio investment abroad, but so far the authorities have not said whether they intend to go ahead with this or to seek a new postponement.

The Danish share market has been bearish throughout this year after recovering somewhat in 1976. The share price index was fairly stable for a long period through the summer and early autumn, but since then it has fallen by about five per cent, and over the year so far it has fallen by about 15 per cent. An autumn fiscal squeeze, which will hit private consumption hard, and discourage interim reports have affected investor optimism.

Hilary Barnes
Copenhagen Correspondent



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NORDIC BANKING AND FINANCE VII

Finland needs to borrow more

THE PAST YEAR has seen three changes of relatively unusual character in the Finnish banking and financing scene: two devaluations of the Finnish mark and a reduction in interest rates.

Yet when all is said and done, they have had little real impact on the economy in general and the money market in particular. After three very difficult years the banking sector expects next year to be yet another year of trying to hold off credit-hungry clients and of competing with the State for the meagre funds which might be available for private saving.

Discernible in the background, too, is a steady, if subtle, move towards increasing State control of capital flows. And, overshadowing all and adding to the general uncertainty, is the possibility of a third devaluation in the near future.

The sorry facts are that the corporate sector is in bad liquidity shape, the Treasury cash position is extremely tight, the real disposable income of households is being eroded by inflation and taxes and, consequently, the savings ratio is shrinking. Much has been said of stimulating the economy, but little of real value has been done. Even now, the Government is trying to put together a new "stimulation package," without much success. A senior banker sums up the situation as follows: "If nothing else is done soon, there will have to be a meaningful devaluation."

Devaluation

Sweden devalued the krona by 6 per cent. in March and again by 10 per cent. in August. Finland's reaction was a 5.7 per cent. depreciation of the Finnish mark in April and another 3 per cent. downward adjustment in August. For some sectors of industry the changes were too small and left Sweden with a

clear competitive edge in the West European export markets. It was in connection with the Finnish mini devaluation in August — an English banker called it a non-devaluation — that the general level of interest rates was lowered from October 1, the first change since 1973. The basic lending rate of the Bank of Finland was lowered by 1 per cent. unit to 8 1/2 per cent., and in general the same change was applied to all bank lending and deposit rates and new bond issue rates. The adjustment was, as all interest rate decisions have long been, politically motivated.

Against the slight relief this may have brought borrowers must be set the discouragement to savers who are now offered only 7 per cent. on 24-month deposits, while inflation is running at an annual rate of 13 per cent. Savings had already stagnated. The savings ratio of households was 14.9 per cent. in 1975, 9.5 per cent. in 1976 and the estimate for both the current and next year is 9.5 per cent.

The Government did try to stimulate savings with a tax relief deposit scheme. This invites the saver to deposit in a tax relief account in his bank a minimum of Fmk.800 (just over £100) and maximum of Fmk.8,000 (about £1,066) per year for three years. Eight per cent. of the sum deposited is deductible from his taxable earned income. The interest rate is 8 per cent., but the tax benefit brings the yield up to about 11 per cent.

However, in the scramble for savings the State also announced that taxpayers who were owed tax refunds for 1976 could, if the sum was at least Fmk.500, elect to take in lieu a 2 1/2-year bond with a 10 per cent. coupon, both capital and interest tax-free. One-half of the capital with interest will be repaid after 1 1/2 years.

The Treasury is also compet-

ing with the private sector by this trend which seems to be increasing its bond issues. The latest offer is a five-year coupon paying 10 1/2 per cent., with both capital and interest tax-free. The terms of new private issues for credit from the Central Bank were cut to Fmk.1.9bn. for eight years, also tax free. The bond market is becoming more popular now that the public realises that the papers can be sold before maturity; the current price for the older eight per cent. bonds are running at about Fmk.95, versus Fmk.110, while the 11 per cent. bonds issued earlier this year are trading at over par.

The old stand-by in times of trouble, the foreign capital market, has been largely sealed off by the Bank of Finland which screens all applications for foreign credit very strictly. Several applications from the private sector have been refused this year. All eight new foreign bond floats sanctioned this year so far, totalling Fmk. 724m. were issued by State-owned companies or institutions. The two largest commercial banks each raised a debenture loan of \$30m. in 1977.

Determination

With the gross foreign debt as large as it is, the Central Bank's determination to limit foreign borrowing is understandable, but it does seem to be leading to something of a State monopoly. The recent increases and proposed increases in the borrowing rights of the State Investment Fund make it a bigger source of credit for the applicant for an investment loan than the two largest mortgage credit banks together — Industrial Bank of Finland, (private) and Mortgage Bank of Finland (owned by the Bank of Finland, but run as a private bank). Both of these are long established banks, while the Investment Fund, which is managed by the State Postipankki, is a newcomer. The private sector fears increasing political influence in

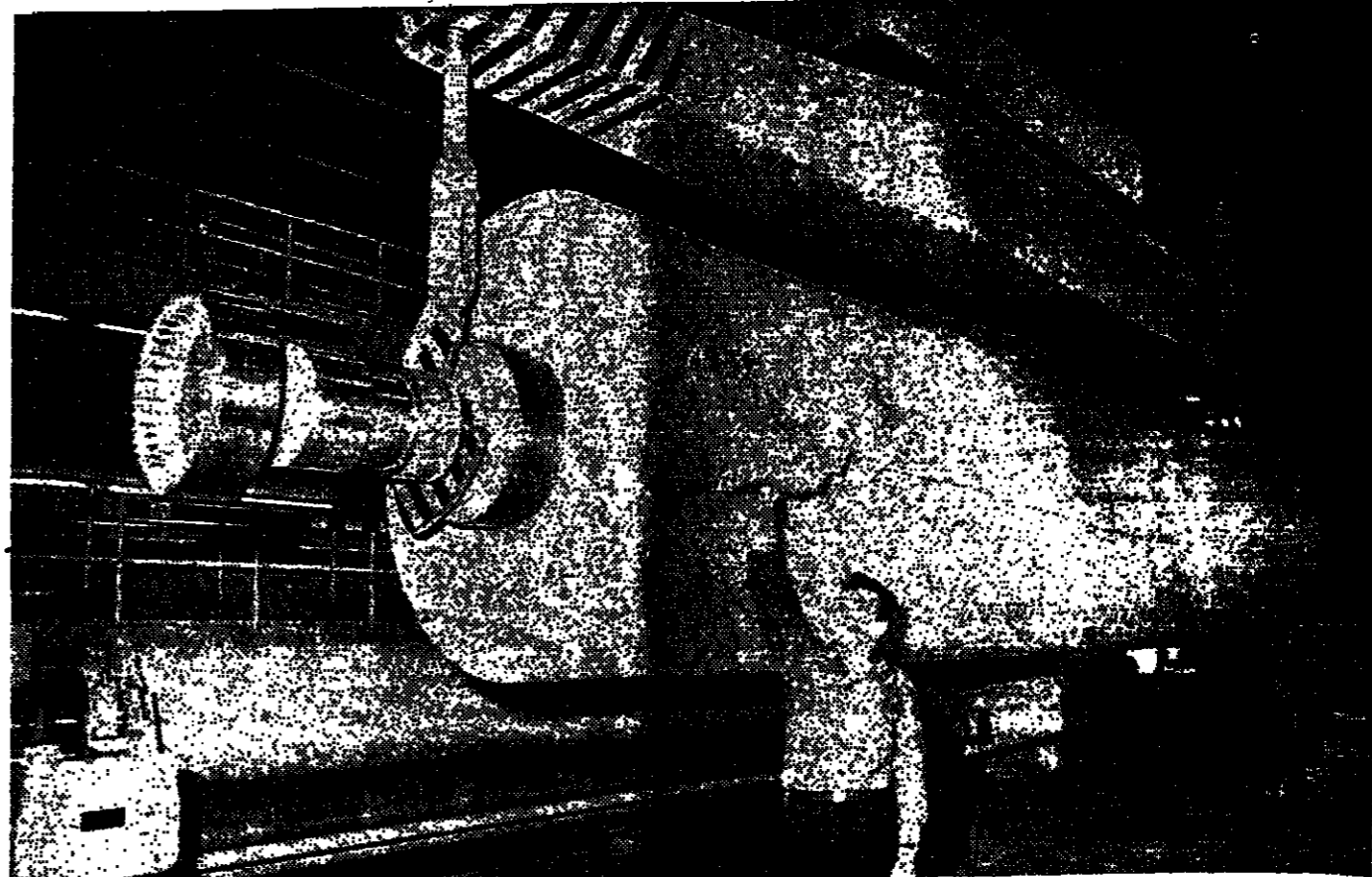
the Treasury's strained cash position that this sum would have to be raised abroad. The State will probably need this kind of money to cover the costs in tax, labour and other costs required to restore the international competitiveness of industry and its profitability. The only alternative solution — and it is being suggested with increasing frequency — is a meaningful devaluation of the Finnish mark, with all the negative consequences that that will inevitably involve. A 20 per cent. devaluation, which could be considered the minimum for "meaningful," might add about Fmk.4bn. to the long-term debt, and, of course, increase the debt servicing costs sharply. The question seems to be: to borrow or to devalue, or a mixture of the two with strong back-up measures.

The gross foreign long-term debt was Fmk.27.7bn. (£3.6bn.) at the end of September this year, and will be a billion or so higher by the end of 1977. According to some experts, the economy now urgently needs a priming of Fmk.4-5bn. in the coming year. It is evident from the Treasury's strained cash position that this sum would have to be raised abroad.

The Icelandic coalition right of centre Government has been fighting inflation ever since it took office in the middle of 1974, after the collapse of a left-wing Government which left behind a record 54 per cent. inflation. Iceland's economy turned the corner in 1976, and earlier this year inflation was down to 26 per cent. on an annual basis. During last year and the first six months of this year, the situation improved markedly, the national product increased along with the terms of trade and the enormous deficit in the balance of trade during 1974-75 was nearly eliminated. The two main factors behind the recovery were favourable external conditions of trade as well as the Government's economic policy, plus restraint in wages and wage negotiation and agreements.

The upturn lasted until May when the Icelandic Federation of Labour negotiated a 26 to 27 per cent. wage increase for its members, which went beyond the limits warranted by the economic recovery. The favourable export position seems to have come to an end and basic industries like fishing are facing problems.

Lance Keyworth
Helsinki Correspondent



Paper makes up a very large proportion of Finland's manufactured exports.

Inflation is Iceland's biggest problem

THE ECONOMIC OUTLOOK in Iceland has deteriorated considerably over the past few months, after a marked improvement during 1976 and the first six months of this year. The situation in business and economic life in this smallest member state of NATO is expected to get worse before the hard-hit Icelanders can hope for an upswing again. Inflation will be running at about 32 per cent. at the end of the year according to official sources, but most people believe it will be closer to the 40 per cent. level.

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Limits

Civil servants went on strike for the first time in October. It lasted for two weeks and resulted in a 32 to 35 per cent. wage increase, which gave new impetus to the inflationary spiral. Total wage increases in Iceland this year will be 60 per cent. up on the year, the highest annual increase since 1962.

The Icelandic Minister of Finance Mr. Matthias A. Matthiassen, said in his annual budget speech in Parliament a few weeks ago that "consistent government policy has been maintained to withstand the expansion of the public sector, to strengthen government finances and thereby contributing to economic balance and stability."

The Government accounts show a deficit on current accounts for 1974 and 1975, but a surplus of Lkr.800m. for 1976. The public sector as a percentage of the GNP accounted for 28.6 per cent. in 1974, 31.4 in 1975, but the Government managed to reduce it to 27.6 last year. This figure, according to Mr. Matthiassen, is expected to be further decreased this year and remain at a similar level next year.

The inflationary effects have seriously undermined the competitive positions of Icelandic industry and exports. The Government is promising to try to cope with the deteriorated situation, but it has only six months left in office, and will not take any unpopular steps for the time being. Measures will reflect the need to buy time until the parliamentary elections in the early summer. The recently introduced Budget Bill reflects the need to limit

public spending and "try to anchor the recently gained balance in government finances." The Bill, however, nevertheless, for an increase in private spending of 5 to 6 per cent. following an increase of 8 per cent. this year.

The Government says it will try to prevent an increasing trade deficit along with limited domestic demand, and so hopes that inflation will subside once again.

The balance of trade, which was in surplus by Ikr.4.5m. in October 1976 was in deficit of Ikr.9m. in October of this year. But the deficit balance for the year in total is estimated at Ikr.5m. in October this year, and especially the freezing industry, claims it is heading into bankruptcy because of extremely high wages and the unfavourable rate of exchange of the Icelandic krona. Leaders of the industry have been demanding a considerable devaluation of the krona against currencies like the dollar and sterling.

The Government has succeeded, during the economic turmoil of the past three to four years, in keeping unemployment down. One method has been to borrow heavily abroad for major industrial investment at home, like building power plants, and renewing the fishing fleet. Foreign debt in June of this year was Ikr.114.5bn., excluding short-term foreign loans. This amount has increased somewhat since, and it is generally believed to be much too high. Foreign debt at the end of 1976 was close to the Ikr.100bn. limit.

Net foreign exchange reserves at the end of September 1976 were Ikr.3.638bn. and are estimated to be still close to that mark. Gross foreign exchange reserves were Ikr.19.347m. The foreign exchange reserves during the first nine months of this year improved by Ikr.3.969bn. and this improvement is mostly due to improved external marketing conditions and external borrowing. Last year, about 14 per cent. of gross export income was used to repay foreign loans and interest. It is estimated that about the same percentage of export earnings will be used this year for the same purpose.

The Central Bank, along with the Government, has been using the floating rate of the Icelandic krona to regulate export earnings, and control prices and import policy has been ports. The Icelandic krona has depreciated considerably this year against most Western cur-

rencies and the down slide against the dollar reached about 8 per cent. during the first nine months of the year and is now close to or above the 9 per cent. level. The Government has been using the exchange rate as a tool in its fight against ever increasing inflation and internal labour cost.

Profit

Most of Iceland's commercial banks are not expected to show a profit this year as a result of inflation, but savings banks, which are much smaller, will do better, if only because they are able to keep operating costs down to a minimum. Demand for long- and short-term financing has been very heavy all through the year, since most companies, as well as individuals, try to invest heavily in property, which is apparently the only sound investment in an inflation-prone economy. The Central Bank of Iceland is trying to control the situation by ordering the banks to maintain a loan ceiling, which runs about 30 per cent. above total bank financing for 1976.

Another method of controlling the demand for money has been to increase long- and short-term bank interest rates. The Central Bank, for example, increased the interest rate of short-term loans from 16.75 per cent. to 17.25 per cent. in June, and again to 20.5 per cent. in

late November, with the highest interest on longer-term loans at 30 per cent. This measure was also taken to protect savings accounts from the effects of the inflationary upswing.

Pension funds, which are run by the trade unions, have also been hard hit for the same reasons. The funds in general grant almost exclusive long-term loans to members, who in turn use the financing to buy permanent homes. Most Icelandic families own their own flats or houses. Low interest rates in the past few years have not protected the funds' assets against inflationary ills, thus diminishing the investment effects of the funds.

The latest development in banking in Iceland is that the Government is preparing a Bill which, if passed through Althing (Parliament), will allow Icelanders to open up foreign exchange accounts in Icelandic banks. Very strict currency regulations have been in effect in Iceland for years, creating a lucrative foreign exchange black market in the country. Now the Government thinks it is time to liberalise the rules and encourage Icelanders to deposit their foreign currencies, if they own them, in bank accounts, so long as they can give reasons for possessing foreign funds.

Jon Magnusson
Reykjavik Correspondent

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The Marketing Scene

COI may spend £17m. this year

LATEST ESTIMATES of Government advertising expenditure this year through the Central Office of Information are now put at approximately £17m. compared with an anticipated spend of around £12.5m. Expenditure on the current fire precautions campaign could reach £500,000, while other areas of higher-than-expected spending are the energy conservation and unemployment programmes.

Meanwhile, the COI has said that the Police Recruitment account, currently worth £540,000, but expected to rise in the new financial year, is to be replaced by 1978 billings to £2m, while the Prison Officer Recruitment business, currently worth £250,000, says with Davidson Pearce Berry and Spottiswoode.

● SPERRY UNIVAC has appointed Ayr Barker Hagemann to handle the £700,000 T.F.C. account for a new small computer product line. Additional spending through ABB's Continental offices should total £250,000. The products are aimed at companies who buy in computer services. Adding in ABB's recently gained Subaru car business, the agency's billings next year should move from around £10m. this year to nearer £13m.

● WASEY CAMPBELL EWALD is to act for the whole Libby range for next year. The budget will be around £600,000.

● CUSONS is to spend £240,000 on a two-week TV campaign for Imperial Leather bathing foam. The company reckons to have a 4 per cent of the bathing liquid market. Allen Brady and Marsh is the agency.

● HALLMARK CARDS is concentrating on radio for a two-week drive which begins on December 5 and has a budget of £36,000.

● A NEW FEARS medicated shampoo is being launched with a £250,000 TV campaign followed by a further burst in January. It is the company's first venture into medicated shampoos.

● JOHN RAAB, formerly managing director of British Posters, is to succeed William Metson as secretary of the Institute of the IPA. He will take over at the end of March when Mr. Metson retires.

Retail upheavals

BY MICHAEL THOMPSON-NOEL

THE RETAILING revolution on both sides of the Atlantic has naturally emerged as one of the biggest single issues in international marketing in recent years—and the revolution continues, though precisely where it is headed, no-one seems sure.

A pointer to the complexity and speed of developments in this area was provided in London yesterday at a session on new directions in retailing at the second EurAm conference organised by Advertising Age which helped underline that to anticipate the future it is useful to understand the past.

The U.K. picture was painted in by Peter Davis, marketing director of J. Sainsbury, and Denis GreenSmith, managing director of Selfridges. Mr. Davis pointed out that the U.K. background in food retailing in recent years was one of a levelling-off in population and a static or even declining volume of trade which had helped the multiples move from a 20 per cent share of business 25 years ago to one of more than 50 per cent. Both the Co-Op and the independents had fallen back in the years to 1976, though the Co-Op had recently staged a comeback via aggressive marketing.

In the current economic climate, the big food chains were having to aim for increased market share, sometimes at the expense of margins, and had emerged as big advertisers. The MEAL-monitored figure for all retail advertising had grown from £18.9m in 1972 to £96.1m in the 12 months to September 1977. The figure for grocery chains had moved from £7.5m to £24.8m.

Among individual food retailers, the Co-op's national ad spend had grown from £1.5m in 1973 to £3.2m. In the latest 12 month period, while other big gains had been shown by ASDA, Tesco and Sainsbury itself—from £185,000 to £870,000.

According to Eugene Mahany of Needham, Harper and Steers Advertising of Chicago, the U.S. inflation, increased government intervention and militant consumerism was one of equally rapid change. There had been intense promotional activity in response to shopping for price, but there had also been the emergence of smart in-store boutiques and "ego-intensive merchandising" of clothes and furniture.

Mr. GreenSmith said that in retailing as a whole there was bound to be a move towards vastly improved store formats

and big improvements in style interference or the establishment of government propaganda and atmosphere.

One of Tuesday's speakers, David Kingsley, chairman of London's MSJ Advertising Group, discussed the growing use of advertising by governments, particularly in the U.S. and U.K., where governments were already big advertising spenders. In the U.S., the value of paid-for governmental advertising had increased from \$42m in 1971 to \$113m. last year; in the U.K. the equivalent expenditures had been £2m and £11.5m.

In turn, it now seemed that governments were using a smaller proportion of their advertising budgets merely for publicity and recruitment and were increasingly using advertising in an attempt to change social behaviour and explain the purpose and benefits of new legislation and social and economic policies.

The conservation of energy resources, the need for racial harmony and sensible road behaviour were typical areas for government advertising already explored in both countries, so that it was almost possible to identify a trend towards "government by advertisement." (In Norway, in fact, there was an unprecedented peace-time campaign under way to persuade the population towards more properly balanced diets.)

Was this a healthy development? It would be an unhealthy step, said Mr. Kingsley, if increased government advertising retarded the production of goods and services by the private sector.

But there was now an entirely new dimension in which the marketing sector had to look to its legitimate interests and in which the marketing case had to be made plain: the EEC.

Where public health and safety were directly concerned, said the ASA chairman, there was a lot to be said for common community standards. "But if goods are produced for purely national consumption and are not to be marketed across the frontiers of the Community, I see no reason why they should not continue to conform to their own national regulations. Harmonisation for the sake of it is a nonsense."

The marketing business on its side should adopt a self-confident and positive philosophy turned its back on uniformity.

IPC's determined sales drive

BY PAMELA JUDGE

APART FROM spending nearly £2.3m. on promotion next spring, IPC Magazines is to take its circulation drive right down the line, and in a highly personal way.

Patrick Barnes, circulation director, and his team have come up with Spring, 1978 Magell, a document which lists details of the plans for each IPC publication (including two new launches) which is to go out to some 1,000 individuals in wholesale houses—managing directors, regional managers and so on.

While the promotion plans are of considerable interest to the trade, Mr. Barnes hopes to get an equally interesting response to some of the information at the back of the booklet. Bearing in mind that the data is highly personalised, the information shows which wholesaling divisions returned below-target figures for IPC's last three high-promotion periods—Counter Attack in the autumn of 1976, Spring Board earlier this year and the latest autumn effort.

In other words, if central management of the wholesaling houses did not already have a picture of potential sales opportunities in the first week of an IPC drive, they will receive one any day now.

Between September 10 and November 12, IPC's women's weeklies showed a sales rise of 10 per cent, according to Mr. Barnes. Advertising revenue for the women's group is up 29 per cent in the first six months



Clever leather

BY PHILIP KLEINMAN

MUCH ADVERTISING scores by dramatic effect it was expected persuading dealers to stock up in anticipation of consumer response to the ads. Indeed, some research has suggested that the sales effects of TV campaigns for packaged goods can be mainly ascribed to the increase in shelf space allotted to them by supermarkets. But if it is commonplace for a manufacturer of finished products to use TV to influence retailers, it is highly unusual for a producer of raw materials to attempt to do the same to manufacturers.

Unusual but not unknown. Pittards, one of the largest tannery groups in the country, is currently engaged in building a consumer brand image for its leathers, even though these reach the public only in the form of shoes, gloves, garments and so on manufactured by others. The exercise still has a long way to go, but John Pittard, group corporate development director and nephew of the chairman, C. J. Pittard, believes it is already paying off.

Pittards, a public company which grew out of the old family firm of C. W. Pittard in Yeovil, had a turnover last year of £14.8m. First half results for this year, announced in September, put turnover at £9.4m. In relation to turnover, Pittards reckons to spend more on advertising than any of its competitors, and of this year's ad budget of well over £100,000 two-thirds is being spent on TV in London and the Midlands.

Commercials, being broadcast year in succession, use the slogan "Very Clever Leather" and demonstrate the versatility of the material. Viewers are urged to look for a Pittards label on any leather product they buy.

According to the firm's agency, Davidson Pearce Berry and Spottiswoode, TV was chosen not only because it supplies colour and movement but because of the their own sales effort.

Since two, the consumer campaign, was based on research revealing that while consumers universally valued leather, there was a good deal of confusion about how to distinguish between the genuine stuff and the better synthetics. Discussion groups reacted positively to the suggestion of tags or labels identifying the origin of the material.

In the past 12 months Pittards has supplied (free of this amount for only the second year in succession, use the slogan "Very Clever Leather" and demonstrate the versatility of the material. Viewers are urged to look for a Pittards label on any leather product they buy.

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TEST TOWNS

Self-defeating uniformity

WHEAT AMOUNTED TO a prod about its relationships with the Euroboard had been thrown out and except for over-riding reasons of health and safety, harmonisation should be optional.

But vigilance was needed, particularly in the case of the proposed EEC directive on misleading advertising. Advocates of this directive rested their case on two premises: first, that common standards of advertising control were necessary to ensure free and fair competition across the Community; second, that the EEC's consumers needed protection from misleading advertising on a consistent basis.

According to Lord Thomson, simply cannot believe that the present differing systems of enforcing advertising standards have any significant effect on the competition. Whatever joy the bureaucrats may get out of

The present system combining the voluntary and statutory controls for maintaining advertising standards worked reasonably well, said Lord Thomson, and the way in which the system worked offered a number of lessons for marketing as a whole.

"First, it is utterly wrong to see this system as some sort of confrontation between self-regulation and State regulation. The marketing business on its side should adopt a self-confident and positive philosophy turned its back on uniformity."

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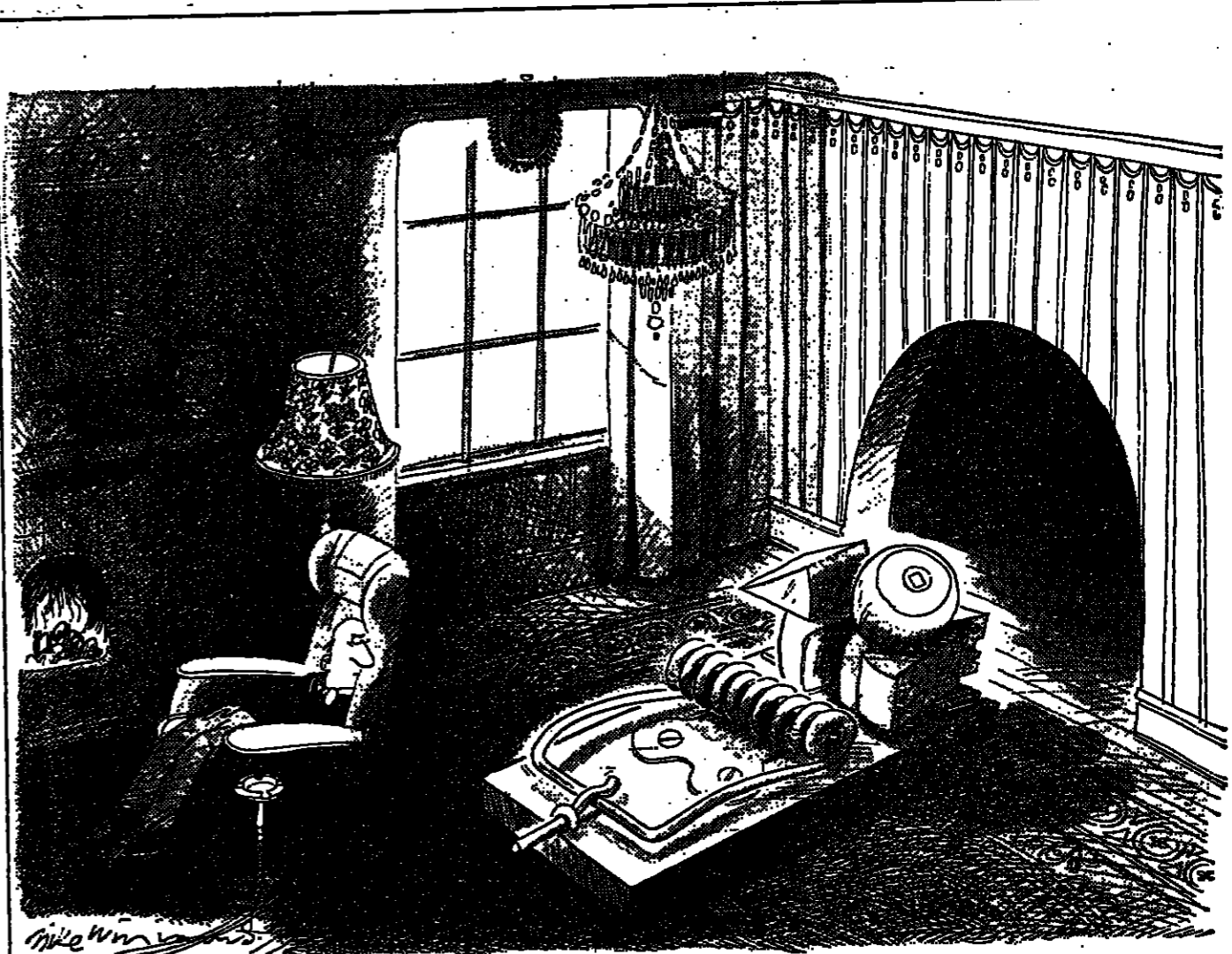
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ANNUAL GROCER SALES PER HEAD BY NIELSEN REGION - 1976

Region	£	%
ANGLIA	£176	60
LONDON	£175	24.8
SOUTHERN	£174	8.1
SCOTLAND	£160	9.6
WALES, WEST & WESTWARD	£159	10.0
TYNE TEES	£158	5.3
YORKSHIRE	£153	10.3
MIDLANDS	£150	13.8
LANCASHIRE	£136	12.1
G.R. TOTAL	£160	100

Source: NIELSEN

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Workers in car managements: the dilatory revolution

By ARTHUR SMITH, Midlands Correspondent

A question of independence

THE GOVERNMENT announced an increase in television licence fees at the end of last July. It was a small increase — considerably less than the BBC had hoped for — and was intended to help the BBC keep its services running at around their current level without restoring cuts previously made or embarking on ambitious new projects.

The BBC itself, whose financial position — it is extremely vulnerable to inflation — made it glad of any increase in revenue, was upset not only by the fact that the increase was deliberately made in the way of a stopgap, but last for only a year. It protested, and the chairman protested again yesterday in his foreword to the annual report. Pointing out that this was the first time ever that the Government had made a licence settlement intended to last for only a year, he added that such a development, if repeated, would create a situation dangerously like an annual grant.

Pay policy This, he went on, "has been repeatedly rejected by Government committees of enquiry as being bound, sooner or later, to undermine the BBC's vital constitutional independence."

The competitive balance between public and private sector broadcasting has, moreover, been affected in an even more disturbing way by the Govern-

BRITISH LEYLAND and Chrysler U.K., both rescued from financial collapse by state aid, presented the Labour Government with an opportunity to pioneer experiments in planning agreements and worker participation, two concepts central to its election manifesto. Now, nearly two years on, ministers must be casting an anxious eye at developments.

At Chrysler there are union fears that the company, a subsidiary of the U.S. concern, has "gone cool" towards the planning agreement. The working party formed to draw up the document has not met for nearly two months. Talks were adjourned on October 6 after the trade unions had requested more information about the new light car which Chrysler is to introduce at Linwood in 1979.

Prospects of a planning agreement at British Leyland, which has stumbled from crisis to crisis during the past 12 months, are as remote as ever. With the arrival of Mr. Michael Edwardes as chairman, yet another long term review of strategy is under way. More seriously, the participation machinery at Leyland Cars, upon which great hopes were placed for a dramatic improvement of industrial relations, is threatened with collapse.

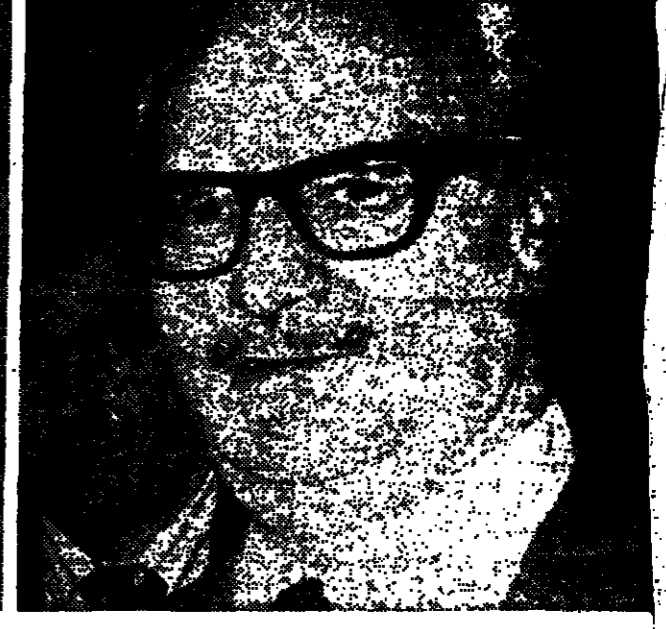
Transport and General Workers Union members at the Cowley plant, in what union officials have described as a spontaneous rank and file protest against the Leyland style of management, are urging complete withdrawal from participation. The 5/60 branch, the largest in the country, has called for a meeting of all transport union stewards within Leyland Cars to recommend such action. Against that background, developments over the next couple of months will be crucial for both the Chrysler and Leyland experiments. The Chrysler planning agreement, the first and still the only one secured by the Government, has hardly got off to an auspicious start. The document was signed in March and forecast a £300,000 profit for the year. By May, workers were already being told that losses in the first quarter had totalled £8.2m. The deficit had mounted to £19m. by the end of September and only an outstanding performance by the troubled Linwood plant would prevent the total for the year moving beyond the £20m. mark.

The great irony of participation at both Chrysler and Leyland is, that though it is sought by trade union leaders and the Labour Government, there is widespread suspicion among the shop stewards. Labour relations at Chrysler Chrysler in recent years. He was at such a low ebb prior to the rescue that employees rejected the company's offer of formal worker participation machinery and the right to two seats on the Board. Although there are only two parties to a planning agreement

—the Government and the company—the fact that prior agreement is sought from the trade unions makes it a logical extension of any scheme of worker participation. However, at Chrysler, because of the suspicion of the workforce, the company set up an ad hoc committee system to formulate the planning agreement and developed a separate "communications" exercise to involve employees in company affairs. The word "communications" persists, but it is difficult to appreciate what distinguishes it from participation. There is no plain of a goldfish bowl. The commitment in public as the stewards believe, has been less than wholehearted and has varied from plant to plant. Linwood has only agreed in recent weeks

considering switching planned assembly from Linwood, where production performance has been poor, to the successful Ryton plant at Coventry. A cooling of Chrysler's enthusiasm for the planning agreement would be understandable. The company stands in splendid isolation as it wishes to share, output, and profits are public knowledge makes any short fall the more embarrassing. Senior executives coming to account sufficiently. Such criticism is not ventilated in public as the stewards believe. Shop floor workers were protesting against the refusal of management to allow the TGWU to give continued support. Mr. Lapworth agrees that the

plans in the machinery. Appeals have already been made to trade union leaders to exert their influence to make the system work. After all, the Leyland participation framework was drawn up largely by Mr. Harry Urwin, Deputy General Secretary of the TGWU, and was agreed to by all the unions within the Confederation of Shipbuilding and Engineering Unions. A new initiative is planned to overcome the failure to involve shop floor workers in debate and discussion. Efforts will be made to form around 1,000 joint management-union committees at shop and department level. They will supplement the existing three-tier system of committees which



Three key men from the TGWU. From the left: Mr. Harry Urwin, Deputy General Secretary; Mr. Bill Lapworth, divisional officer who won fame in the organisation of the Mercedes motor-bike co-op; Mr. Bill Roche, branch secretary, who thinks the middle management is schizophrenic about participation.

to be represented on the sub-committees of the working party. There also is the risk that drawing up formal participation plans with the shop stewards may render the company's strategy inflexible. Management may fear that stewards will hold it to the letter of the original plan and resist changes.

The potential problems are illustrated by the issue which provoked the adjournment of the working party. Shop stewards had heard that development work had been halted on the new light car, code named Tango, and demanded more information. The most likely explanation is that the vehicle is being restyled under a new code, as often happens in the development of a new car. However, the long delay in setting a new date for the working party led to speculation that the company may have shelved the project. Another rumour has it that Chrysler is con-

starts at plant level, rises to the division, and culminates in the Cars Council. It is hoped that the new committees will operate on a fairly informal basis and form part of an elaborate system designed to improve the flow of information. One of the major disappointments of the Leyland experiment is that information so far has flowed mainly in one direction, from the top downwards. Mr. Roche argues that ways must be found of involving employees earlier in discussions in which they have some expertise—for example the layout of plant.

Senior Leyland executives know the problem, but emphasise that attitudes cannot change overnight, and that time will be needed for participation to evolve. One of them said, "What is being called for is a revolution in management style. There must be full consultation and involvement of employees in decision making, but on occasions supervisory staff will still need to exert authority." The immediate problem in the State-owned concern is to halt the drift away from parti-

Mr. Sadat takes another risk

THE MIDDLE East as a whole and the Arabs in particular seem to many that Mr. Sadat's have not yet recovered from the shock of President Sadat's pan-Arab platform but to accept historic visit to Israel, only two weeks ago. It was inevitable that a visit of this type, which ended a 30-year taboo on Arab

and Israeli leaders talking has been dramatic. Some countries such as Jordan, a moderate Arab world. Thus in the short-term, most of the Arab States but King Hussein refuses to go seemed incapable of understanding that President Sadat's dignified speech before the Israeli Knesset was an Arab triumph, not a humiliation. The concrete achievements may have been sparse, but it certainly demonstrated on the Arab side the imagination and a desire to go beyond the heart of matters rather than haggle on endlessly about procedures which had been sadly absent before.

Hostile President Sadat was thus bound to receive a hostile reception, and to awaken fears that domestic stresses at home were making him search for a bilateral deal with Israel. Mr. Sadat certainly has a case when he argues that it is Egypt which has borne the major brunt of four wars with Israel, and he was in a hurry after visiting Jerusalem to ensure that the momentum achieved did not slow down. If that had happened, the visit would have been a failure, putting Mr. Sadat's position at risk. In short, Mr. Sadat's anxiety to keep the dialogue with the Israelis going was understandable. But what is questionable is whether he should not have left more time for the impact of his trip to sink in and be fully assessed by the other Arab states.

By calling so swiftly for a conference involving Israel, its neighbours, Palestinians and the co-chairmen of any Geneva meeting, Egypt was effectively asking its fellow states to associate themselves immediately with his initiative. In retrospect, it may be said that he pressed too hard and too soon. At this stage the conference in Cairo seems likely to be a comparatively lonely event with only Egypt, Israel, the U.S. and the UN certain to be represented. Outside, reactions vary from delicate fence-sitting to outright hostility. The U.S. has shown reserve, as has the UN (by calling another conference).

MEN AND MATTERS

Who cares? The public pays...

Does one recognise the hand of rail publicist Will Camp in British Rail's decision to support the pressure group Transport 2000? As I reported a month ago, the organisation has staged a startling recovery just when it seemed financially on the ropes. Director Mick Hamer confirmed yesterday to me that ER has become affiliated to Transport 2000, which has a minimum subscription of £5.

Clearly, the men just along the corridor from Peter Parker are injecting much more than that, but Hamer is not giving any figures. He declares it is no secret that the three railway unions back his association, and says they still supply more than half of the total revenue. How much is that? Not more than £10,000 a year, Hamer must be deploying it well, because last month he launched a magazine and pays a full-time helper in addition to finding his own salary.

"What about the British Road Federation?" he responded to my probing. "They are supported by two nationalised bodies, the National Bus Company and the National Freight Corporation." True enough; and when I questioned the federation, it admitted to receiving donations totalling more than £100,000 a year. That's competition for you—all these State organisations slogging it out in a bid to win friends and influence Westminster and Whitehall.

The prices are decidedly in luck, because it seems that wealthy dandies the world over have been trying in vain to persuade the designers, Wain Shieff, to turn out more cloth incorporating personal mono-



"Do you think you can throw it as far as the Govan yard?"

grams. Unless you happen to be the world's biggest oil supplier, one initial is all you will get. Even so, Americans and Japanese are taking to this form of head-to-foot exhibitionism with a gusto. In Hong Kong, cloths with "L" and "W" woven in are going well, because of the preponderance of Lees and Wongs in the populace.

I asked Otten whether he might ever make one more exception. Supposing, for instance, Mr. Brezhnev wanted a suit-length with "L.B." woven into it? "In my experience," he said grandly, "they don't appreciate high-quality suiting in eastern Europe. We've never sold them any."

South Coast only Blackfriars station in the old days was just made for suburban Walter Mitzy's. They might just have been going home to the wife and mow the lawn in Sevenoaks or Beckenham-but, with a little touch of imagination, they could equally well have been off to a mysterious rendezvous in Geneva, Baden-Baden or St. Petersburg.

At least that is what one could have been led to believe by the list of romantic sounding destinations carved in stone on the station's mighty pillars. They would however have had to wait on platform one for a mighty long time had they really wanted to go to any of these places. For the fact is that, contrary to the evidence on the stone pillars, which have been carefully preserved and incorporated in the rebuilt station opened yesterday, the old continental boat trains never left from Blackfriars at all.

THE INDUSTRY BUILDERS

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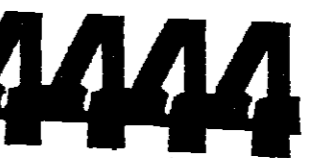
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ECONOMIC VIEWPOINT

BY ANTHONY HARRIS

Money policy when employers cave in

NUMBERS WEAVE their own myths, and one of the most powerful at the moment is that a stern monetarism has displaced all other forms of economic policy in the U.K. The sudden rise in interest rates last week is only the most recent confirmation of this belief. The floating of sterling at the end of October, and—according to the National Institute of Economic and Social Research—the whole fiscal policy which started in July 1976, and was subsequently tightened to meet the terms of the IMF, tell the same story. The Government has been deflationary when it should have been reflationary, and has now sacrificed competitiveness on the same altar. The financial economy flourishes while the real economy awaits first aid.

If this were a true account of affairs, one would expect to find that whatever else might have happened, monetary policy had indeed been strict; and this is where the numbers come in. Until September the growth of the money supply as measured by M3, the definition used for policy purposes, did look restrained. Even in its sterling version—which has grown rather faster than the old M3 since sterling recovered—M3 growth remained near the bottom of its official range, and well below the going rate of inflation: if both rates are measured on an annual basis.

It is hard, though, to discover any other signs of monetary stringency. On the contrary, a regime under which minimum lending rate can fall from 15 per cent. to 7 per cent. in 13

months looks a rather easy one. The flood of money into the building societies hardly suggests that the stuff was scarce. Above all, perhaps, the relatively neglected M1 measure of money, which concentrates on balances held for day-to-day transactions, has been growing at a rapidly accelerating pace since the spring, and both measures of money growth have far exceeded the monthly rate of inflation since July.

More votes

All this suggests that while the Government has certainly acted with determination to reduce its own deficit, monetary policy has been extremely permissive since the financial recovery at the beginning of the year, and that the authorities have now acted, possibly too late, to prevent rapid growth becoming explosive.

The restraint of public spending has been dictated partly by financial necessity in the crisis of 1976, but is now reinforced by political calculation. Mr. Callaghan, like Mrs. Thatcher, now reckons that there are more votes in cutting taxes than in the social services. Monetary policy, on the other hand, has been a mixture of accident and statistical illusion. The accident was the U.S. decision to follow a policy of fairly aggressive dollar depreciation; to put pressure on Japan and to contain protectionist pressures at home. This has involved enormous outflows, as did the U.K.'s involuntary depreciation in 1976, which have complicated the task of monetary management everywhere. The statistical illusion

was that M3 provided a measure of the impact of policy.

The story has been greatly complicated, it is true, by three changes in exchange rate policy. In 1976, until events got out of hand, the policy was one of measured depreciation. After the subsequent crisis and recovery, the Government settled for what was hoped would be a less eventful policy of a virtually fixed dollar value for sterling; but in July, fearing that the decline of the dollar would inflate the British price level too far, the Bank of England persuaded the Chancellor to change to a policy of a constant effective exchange rate against the average of currencies. This ensured that sterling would rise against the dollar, and the inflows became enormously larger until the end of October, when sterling was floated.

The meaning of this story is one which academics will be able to debate for years to come. The plain man's interpretation, which certainly appeals strongly to a journalist like myself, is that most of the inflow was the result of the policy change in July, and since the float on October 31, sterling's appreciation has been held in check by disquiet about wages.

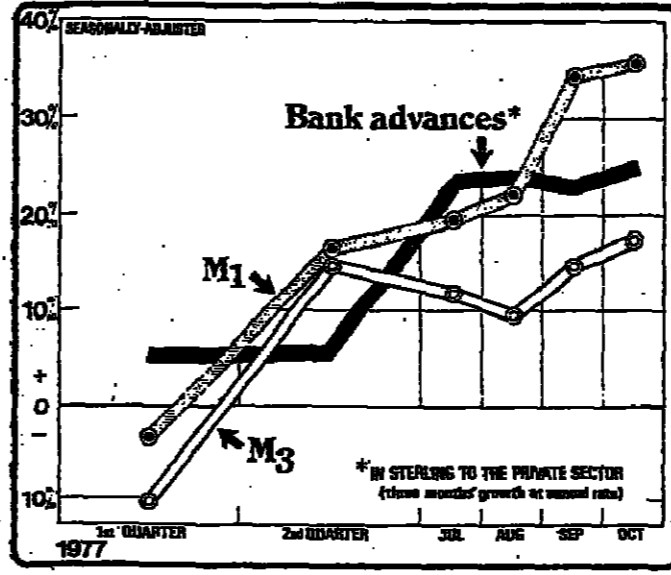
However, there is a monetarist version which suggests that neither the Government nor the unions had much to do with events. The monetarist interpretation of the balance of payments says that currency flows are determined by the relative monetary policies in the countries concerned. Forecasts based on this version of events—

including one in the Treasury's own model of the economy—produced remarkably accurate estimates of the size of the dollar inflow. This version of events suggests that the inflow was simply the result of having any official policy about the exchange rate, and that the comparative calm since the float is due to the fact that the Government changed its policy at precisely the point when the monetary forces were back in balance.

This seemingly dry reasoning is absolutely central to the kind of arguments about long-term policy which the National Institute has launched this week. The National Institute seems to assume that it is possible for the Government to get virtually any exchange rate it wants, in spite of the fact that it has been forced off its chosen policy three times in just over a year. The Institute does not seem too worried about the possible consequences for the money supply.

Familiar

Pure monetarists, at the other extreme, would argue that no Government can have both a monetary policy and an exchange rate policy: one or the other must be left to be determined by market forces. The fact that the Government, having freed the exchange rate, has allowed its monetary actions to be dictated by market forces, has thus made the myth of stern monetarism more credible than ever before. The rest of this article is concerned to suggest that a middle view is possible,



and that given a better guide to Government funding which depends on a series of bull markets in Government stock the Government can still keep some control of events on both fronts. Indeed, unless this is so, it hardly seems worth discussing long-term policy at all. We must either live with whatever growth of money and inflation results from the dollar outflow permitted by the U.S. authorities, or risk the kind of disruptive currency appreciation recently suffered by Japan.

The need for some better guide to monetary policy is strongly suggested by events in this country this year, for the over-expansion suggested by almost any measure except the official one has certainly had noticeable results. One has been a fall in interest rates which leaves the authorities in a familiar dilemma: what to do if the demand for Government stock does not soon revive. As I have argued repeatedly in recent quarters, a system of

exchange rate policy which keep margins under constant but less than disruptive pressure should still leave room for those who are really competitive to promote growth and structural change in the private sector. Experience teaches that strikes always pay.

Better measures

I have suggested that such a policy depends first on the use of indicators which give a better measure than M3 of the real economy; but it also depends on more effective ways of executing any policy which these indicators suggest. A still greater challenge is posed by the need at times to fund or discourage large foreign inflows, which must be accommodated if both monetary and exchange rate objectives are to be achieved, with the threat of a dilemma about interest rates.

Essentially this means that funding cannot simply depend on fixed interest rate bonds, nor on contriving a bull market in Government stock, for all bull markets come to an end: the present potential crisis marks the end of one such bull market. The floating rate bond launch, its theoretical result—an improvement in profit margins, sell at time of low confidence does not seem likely to fulfil this role, since the funding of inflows has created an exceptionally steep yield curve. Some other security—North Sea equity, or some other security offering real rather than monetary security—seems essential if the Government is to achieve its monetary objectives in a turbulent real world.

What is more important, though, is the effect in the real economy, notably in the present wage round. Monetary policy is supposed to play some part in determining the actions of companies, and must take account of the way they behave. An aggressive company sector might have taken advantage of low interest rates to build up stocks, as U.S. companies routinely do, and increase their bargaining strength in the com-

ing wage round. Armed with adequate stocks, they could have faced stoppages with relative equanimity. Indeed, until strikes again carry some risk of defeat in the private sector, militancy is positively encouraged. Experience teaches that strikes always pay.

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Letters to the Editor

A parallel currency

From the Hon. David Cobbold.
Sir—Professor Triffin in his excellent article (November 25) argues that a European "parallel currency" would be "an attractive alternative to the inordinate mushrooming of national currencies in short term as well as long term transnational contracts and capital transactions" and a practical first step on the long road to monetary union. He is surely right.

He then proposes, however, that the "parallel currency" should be linked to one or other of the several formulae for "currency baskets"—most of which have been tried and found inadequate except for transactions at the official level and for limited capital market issues. The essential for a "parallel currency" if it is to achieve Professor Triffin's aims is that it should be a currency of account, freely traded in the spot and future foreign exchange markets against other convertible currencies. For this to be possible some central banking involvement (albeit light) as market maker and ultimate supplier is imperative.

The unit will first and foremost be valued by the market against the U.S. dollar and its initial benchmark should therefore be set in dollar terms. To encourage initial public acceptance it might help to link the unit to gold at the free market price. The link could be broken at a later date when the unit was fully established. Commercial banks would be quick to follow such a central banking initiative but are effectively limited to national currencies without it.

A ready made unit for the purpose already exists and in the right place. The Bank for International Settlements (BIS) in Basle is capitalised and makes up its accounts in Gold Francs (GF), which are defined as 0.29032258 grammes of fine gold. At a conversion factor of 1 gramme=0.03215 fine ounces and a free-market gold price of \$US158 per fine ounce, GF1.00=\$US1.47 (the BIS uses an official rate of approximately GF1.00=\$US0.39 for balance sheet purposes).

The BIS is uniquely placed to manage a limited and experimental European reserve fund on behalf of a syndicate of EEC member central banks, who in any case as shareholders of the BIS meet regularly once a month in Basle.

David Lytton Cobbold, Knebworth House, Knebworth, Herts.

Choice of parties

From the Treasurer, The Selsdon Group

Sir—Joe Rogaly (Society Today, November 28) complains that there is little difference between the official policies of the Labour and Conservative parties. Since he sees "no great source of inspiration in either of the two major parties," it must be assumed that he regards the common ground between them as undesirable. He seems worried, however, about the prospect of a further move in collectivism if the Labour party were elected with a substantial majority, but he is equally concerned about the "hate factor" under a Conservative government. His own

A moderate world

From Mr. D. Housell, MP
Sir—Mr. Joe Rogaly's superficial parody (November 29) of the Conservative Party's position should not be left unchallenged. His first proposition seems to be that since the Labour Party has for the moment espoused a number of Tory policies, partly because it had no choice and partly to try to catch the right wing tide, there is no need to worry further, and the world is safe for moderation. If he believes that, he will believe anything—but perhaps he does not. That line of thought seems to die of disinterest in mid-article. He writes, however, in another thesis—why what he calls the "hate factor" would anyway make the position of a Conservative administration impossible. The "hate factor" he explains by some observations he has made about the Parties and public opinion in 1973/74. But the Conservative Party is not the Party of 1974 and public opinion is not the opinion of 1974 (as the Liberals have good cause to know).

A very great deal has happened in these three years, and a very great deal has been learnt. It is quite wrong to compare the massive Labour Party/United trade union movement line-up of opinion of 1974, half-supported by a nervous and unprepared British public, with the sort of disconsolate Marxist rump that might well emerge from the next socialist defeat. Just as it is also quite wrong to compare the position of the Conservative Government four years ago with the position of a new Conservative Government which will have substantial backing from all sectors of the community, including trade unionists.

The basic problem is that Mr. Rogaly (and I admit that he is not the only one) is using as the starting point to chart the political scene in Britain. That is why he ends up in a cul-de-sac urging constitutional and electoral reform. I believe that some further constitutional reform, on top of the significant Parliamentary reforms which have been unfolding since 1970/71 (relatively unnoticed) and is coming anyway with the impact of the European Community on Parliamentary procedures.

But changing the electoral system has a very low priority

Takeovers and trusts

From Mr. R. Instone.
Sir—The letter from Mr. Walter A. Eberstadt in defence of closed-end investment companies (November 29) prompts the thought that, with friends like him, such companies have no need of enemies.

The decline of the investment trust is simply explained. Individual investors are better served by unit trusts, because the bid price of units is tied to asset prices or by insurance-based plans (because of the tax advantages), and institutional investors no longer need trusts because they do their own portfolio management. We have here a clear instance of technological obsolescence.

Mr. Eberstadt's solicitude for fund managers is understandable but irrelevant. His point about "leverage" or, as would say, gearing is largely spurious because the same effect, if and when conditions favour the geared equity, can be obtained through investment in geared companies, directly or indirectly. It can only be in the interests of all existing investors in investment companies that the over-supply should be rectified by the acceptance of institutional bids at prices in excess of ex-bid market values. Some of the advertisements which have recently appeared in defence of the status quo are scarcely justifiable even as special pleading. Ralph Instone, 18, Old Square, Lincoln's Inn, W.C.2.

Letters to the Editor

in all this, has got little to do with political stability and nothing at all to do with the restraint and decline of hard line socialism in Britain—which will be secured by its intellectual defeat, by electoral disenchantment with collectivist "solutions" and by the vigorous development of mass popular capitalism as a democratic alternative to narrow elitist socialism. It is about this that Mr. Rogaly should do some really serious thinking.

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Buying work in the U.K.

From the Acting Director, Process Plant Association

Sir—in his speech to the Association of Manufacturers of Domestic Electrical Appliances on November 24, the Secretary of State for Trade referred to the need for Britain and its European partners to have selective safeguards against disruptive imports. The process plant industry's current concern is not about low-cost producers outside Europe but cut-price competition in the home market coming mainly from within the European Community and against which there is no protection whatsoever.

Reports received by this association show that over recent months British fabricators have lost business worth well over £5m. to foreign competitors. This work has been lost on price and price alone; quality and delivery are not in issue. In many cases orders have been placed at 30 to 50 per cent. below U.K. prices. As the materials content accounts for 35 to 50 per cent. of the price of

the finished plant, it is difficult to resist the conclusion that foreign fabricators are taking work at a loss or receiving covert help of some kind. Whatever the explanation, it is clear that British fabricators are suffering from determined efforts by foreign competitors to "bury" work in the U.K. to replace lost turnover in their own severely depressed home markets and that in effect steel is being dumped via finished products.

Most of the projects for which fabricated plant is being ordered abroad are in the assisted areas and benefit from Government help funded by British taxpayers without any parallel obligation to support British suppliers. The projects are capital intensive and make only a modest contribution to creating new jobs or safeguarding employment except in the construction phase. On the other hand, British fabricators, whose activity is labour intensive and have themselves benefited from Government grants and loans, are unable because of cut-price foreign competition to earn a reasonable return on their investment.

The fabricating sector, though working well below capacity, is making every effort to keep its labour force intact. If business continues to be lost at the present rate redundancies next spring are inevitable. It is time for the U.K. process industries to look beyond the short-term advantages of opportunist purchasing and recognise that their risk inflicting permanent damage on the British supply capability to the detriment of customers and suppliers alike. J. L. Good, 197 Knightsbridge, SW7.

Buying American aircraft

From Mr. J. Millar

Sir—British Airways, we are told, plans to buy American aircraft—which will not have British engines. Why? Shame on British Airways! Why not the A-300 European Airbus which has British Hawker Siddeley wings and could have Rolls-Royce engines?

British airlines have not always known what aircraft to buy. Some years ago the British De Havilland Aircraft Company—now Hawker Siddeley—designed a splendid three-engine aircraft to meet a world need. Too big, said British European Airways, so millions of the taxpayers' money went in producing the Trident and its engines. It was soon found too small and followed by Tridents II and III. Too late for the world's needs, which were satisfied by the American Boeing Company which liked De Havilland's original design and has sold more than 1,000 Boeing 737s all over the world.

The Government must stop history repeating itself. It should order now some A-300 Airbuses with Rolls-Royce engines. They are already flying into Paris with Air Inter and into London with Air France. Eastern Airlines in America is trying out four A-300 Airbuses. If it orders 50 copies it might be very interested in getting them with Rolls-Royce engines since it is already equipped to overhaul the Rolls-Royce engines in its Lockheed Tri-Stars. British Airways, buy British! J. H. Millar, 49, Avenue Hector Otto, Monaco, Principauté de Monaco.

To-day's Events

GENERAL

Mr. Denis Healey, Chancellor of the Exchequer, meets CBI leaders to discuss progress of pay policy.
Mr. Li Chiang, Chinese Foreign Trade Minister, meets Prime Minister and Mr. Anthony Wedgwood Benn, Energy Secretary, before starting regional tour of British industrial plants.
National Union of Mineworkers' negotiators due to meet National Coal Board following its formal rejection of pay increases before 12-monthly rule.
European Commission's first open discussions on nuclear energy end, Brussels.

PARLIAMENTARY BUSINESS

House of Commons: European Assembly Elections Bill committee.
House of Lords: Atholl Investment (Aberdeen) Development Order Confirmation Bill.
Motions to approve Corpus (Keeping) Order 1977, Vink (Keeping) Order 1977, and Employment Protection (Variation of Limits) Order 1977. Gun Barrel Proof Bill, second reading. Debate on television and radio. Daily, Bucks, 11.00 a.m. Highland Select Committees: Trade and

COMPANY RESULTS

Nationalised Industries (sub-committee B), subject: British Steel. Witnesses: Mr. Eric Varley, Industry Secretary, and Mr. Gerald Kaufman, Minister of State (3.30 p.m., Room 8).
COMPANY MEETINGS
Bass Charrington (full year). British Petroleum (third quarter). Racal Electronics (half year). 600 Group (half year).
COMPANY MEETINGS
Bryant Group, Shirley, Solihull. 3.30 p.m. Courtney Pope, Aylesbury, Bucks, 11.00 a.m. Highland Distillers, Glasgow, 12.00 p.m.

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COMPANY NEWS+COMMENT

Avon Rubber leaps to record £5.42m.

AFTER A midway jump of £1.5m. to £2.5m. pre-tax profits of Avon Rubber Co. leapt from £2.45m. to a record £5.42m. for the full year to October 1, 1977. Turnover was higher at £108.02m. against £87.54m.

During the first two months of the current year the company has experienced increased competition in its tyre business and the directors anticipate that this situation will continue into 1978.

In addition, the directors state that the effects of continued disruption on production schedules, caused by industrial disputes in the British car industry, make any forecast for the outcome of the current year particularly difficult.

However, dependent on the extent of these problems, they believe that the increasing efficiency being generated, together with a broader base should enable the company to maintain its improving profit trend.

Following the recommendation of the Accounting Standards Committee, the directors report they are of the opinion that no provision for deferred tax is necessary in the foreseeable future and the 1975-76 tax charge has therefore been amended to reflect this change in policy.

Tax took £740,814 (£549,932) and stated earnings rose from 27.5p to 68.4p per £1 share. A final dividend of 3.275p restores the total to 0.276p, the maximum permitted, (5p) net, as forecast at the interim stage.

The improvement in Avon Rubber's pre-tax margins last year to 3 per cent. is going to take some holding onto in the current year. Around 25 per cent. of group turnover (compared with 21 per cent.) is accounted for by direct exports, and profit from non-U.K. operations has risen from £11,889 to around £500,000, so Avon is worried by the strength of the pound.

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Belgrave Blockhead	25	4	IPD	29	1
Bolton Textile	24	7	Johnson-Matthey	24	4
Cardiff Matting	25	4	Marling Inds.	24	2
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Dunhill (Alfred)	25	4	Rothmans Intl.	25	1
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Mid-term growth at Marling

Industrial textile group Marling Industries pushed taxable profit £101,000 higher to £404,000 in the September 30, 1977 half year.

The profit jump came on turnover ahead from £5.1m. to £6.54m. and is subject to tax of £208,000 (£137,000). Total profit last year was £475,572.

The interim dividend is lifted from an adjusted 0.435p net per 10p share to 0.5p. Last year's dividend of 0.908p was paid, after adjustment for a one-for-eight scrip issue. Earnings per share are stated at 1.958p against 1.451p.

Gresham House up £35,000 at half-time

Pre-tax revenue of Gresham House Estate Company lifted £35,000 to £133,000 in the six months to June 30, 1977. The result is subject to tax of £54,000 against £38,000 last time.

Directors anticipate the full year result will show an improvement on last year's reduced £243,000 profit.

More delay on Grand Central accounts

Delay in obtaining the accounts of Sri Lanka subsidiaries for the year to March 31, 1977, means that the group accounts of Grand Central Investment Holdings for 1977 will not be available for consideration at the annual meeting on December 30.

According to the company secretary, Everett Chettle and Co., the reason for the delay is that

the plantations are not in the hands of the Sri Lanka state.

It is to be formally proposed that the AGM be adjourned until the accounts are available.

If the accounts of the Sri Lanka subsidiaries are excluded, U.K. operations for 1977 showed a pre-tax profit of £60,600 with tax at £32,000. An interim dividend is declared. Kurl Plantations, which has waived this dividend on its holding of 1,057,576 shares.

Expansion by Home Brewery

TRADING PROFIT of the Nottingham-based Home Brewery Co. advanced from £2.7m. to £3.63m. for the year to September 30, 1977.

Other income improved from £594,000 to £610,000, although there was a lower surplus on disposal of assets of £174,000 (£202,000). Tax took £2.13m. against £1.69m. and the dividend total is stepped up from 4.07p to 4.54p per 25p share, with a 3.84p net final.

Clark Son & Morland sees profit decline

In their interim report, the directors of unquoted sheepskin products manufacturer Clark, Son & Morland says that the company is finding it more difficult to make profits and at this stage do not expect to improve on last year's results, when a record £1.19m. profit was achieved.

The directors add that forward orders are below budget and margins are becoming less satisfactory, due to inflating costs and the appreciation of sterling relative to the currencies of the countries where the company is selling.

Because the directors feel that last year's dividend was less than that justified by the results, a net interim dividend of 6.14308p per £1 share is declared, representing a 10 per cent. increase at gross dividend and payable on January 2.

Johnson Matthey slowdown

GOLD, SILVER and platinum refiners, Johnson Matthey and Co. reports second quarter pre-tax profit of £4.47m. compared with £4.4m. to leave the figure for the six months to September 30, 1977 ahead from £9.14m. to £10.02m.

For all the previous year, the company achieved a record £21.2m. surplus.

First half sales, excluding Johnson Matthey Bankers, were higher at £190.45m. against £181.13m. and after tax of £5.17m. (£4.57m.) net profit improved from £4.57m. to £4.95m.

The interim dividend is stepped up to 6p (5p) net, with an additional 0.1106p per £1 share to be paid in respect of 1976-77 on the reduction of AGT—last year's final was 7.1922p.

Net assets at half-year end are shown as £145.8m. (£135.32m.) and includes base stocks at £23.71m. (£21.64m.) and net current assets £78.51m. (£71.51m.). Precious metal stocks are valued at base prices plus attributable tax and the directors point out that if market prices had been used the amount on the balance sheet would have been higher by £22.75m. (£19.61m.).

Kenning calls for £3.8m.

Reporting estimated pre-tax profits up from £4.78m. to more than £7m. for the year ended September 30, 1977—a record—the directors of Kenning Motor Cars announce a £3.8m. rights issue to finance a new expansion programme.

The new shares will be offered at 62p each—a discount of 19 per cent. on current market value of 75p. The new shares will not qualify for the final dividend of 2.55p net, which lifts the total from 3.7122p to 4.15p, the maximum allowed.

The directors do not make a forecast for the increased capital. The rights issue is also being made, it is stated, to maintain a satisfactory balance between shareholders' funds and borrowings—group indebtedness at October 31, 1977, stood at £14.7m. including £7.26m. bank loans and overdrafts. Shareholders' funds at September 30, 1977, were £27.5m. Mr. George Kenning, chairman, reports "encouraging" results from car and van hire, and it is intended to operate at the same volume level in the current year. Record profits were achieved in contract hire and the directors intend that this sector should be further developed but due to the continuing increase in the price of vehicles, considerably more capital investment will be required.

The car and van hire fleet and the contract hire fleet numbered 12,000 vehicles (8,500) during 1976-77.

The tyre service business also expanded and further depots continue to be added. The re-equipment programme for the remoulding factories is under way and due to be completed in three years.

The chairman says that there are opportunities for obtaining new franchisees for a number of depots—negotiations are well advanced and the rights issue will enable the company to provide the permanent finance needed.

ISSUE NEWS

Last day dealings in BP partly paid

BY JAMES BARTHOLOMEW

TO-DAY IS the last day that BP partly paid shares can be sold in the stock market. The jobs earned that in the shares are not may be hoping to deal as late as Tuesday next week—the day when the final instalment of 55.5p per share is due. But the price realities getting in the acceptance letters from buyers and passing them on to sellers make it necessary for dealings in the partly paid to cease at 3.30 p.m. today.

After that time, it is unlikely that anyone will be able to sell his interest in partly paid shares without paying the final instalment either to the jobber or to the Bank of England. And evidently those who do not have the cash available may be particularly embarrassed.

Late payment of the call has a severe penalty, at least in theory. The acceptance letter states, "Failure to pay the final instalment by 3 p.m. on December 6, 1977, will render any amount previously paid liable to forfeiture and the letter of acceptance will be cancelled."

However, the Bank of England is unlikely to exercise this right in the immediate future. More probable is the use of a second right: "Interest at the rate of 5 per cent. above the Bank of England's Minimum Lending Rate then prevailing may be charged on any overdue amount accepted," states the acceptance letter. And even this right may not be exercised to begin with. No decision has yet been made on how many days or weeks will pass before interest is charged.

Continuing with the last day of dealing in partly-paid will be the announcement of BP's third quarter results, due at about 1.45 p.m. Wreckage has already been down graded in view of the loss suffered in Alaska and now fall mostly in the £30m. to £70m. range. Any result outside this range could mean the last few hours of dealing in the partly-paid particularly hectic.

The Americans, of course had to buy BP shares fully paid and they are reported to have been nervous of the market in BP shares in view of the final call overhanging the market in the U.K. They have been steadily selling BP shares since the first call and are thought to have disposed of about 1m. But here recently they have increased their holdings again as a result of buying a block of Burmah's BP shares. The stock market might think it is already paying its way by getting in 50p on next Tuesday for BP shares. But the Chairman of the Commercial Union rights issue has been such that another £4m. will have to be found on Friday in the same week.

Midland Bank STATISTICS

Statistics compiled by the Midland Bank show that the amount of "new money" raised in the U.K. by the issue of marketable securities in November was £214.0m., an increase of £83.2m. on the total for October. To date this year £1,457.5m. has been raised, compared with £1,433.7m.

CORAL 95.7%

Coral Leasing Group announces that 95.7 per cent. of its rights issue has been taken up. Those not taken up have been sold at a premium of 41p per share. The net proceeds will be distributed to shareholders entitled thereto except that no payment will be made for less than £1.

LEEDS DYERS 100% SCRIP

Leeds and District Dyers and Finishes proposes a scrip issue of "new money" raised in the U.K. by the issue of marketable securities in November was £214.0m., an increase of £83.2m. on the total for October. To date this year £1,457.5m. has been raised, compared with £1,433.7m.

W. Henshall advances to £73,414

Aircraft interior equipment maker W. Henshall and Sons (Aldershot) increased pre-tax profit from £81,897 to £73,414 in the September 30, 1977, half year on turnover ahead from £398,997 to £1,200,902.

The result is subject to tax of £38,176 against £32,039. A net interim dividend will be paid. Last year a 0.322p final was paid, and the last interim declared was in 1975-76 when a 0.1625p net per 10p share payout was made.

ADVANCE MOTOR BEIRUT OFFICE

A member of the Sheppridge Engineering group, Advance Motor Supplies, has established a representative office in Beirut, Lebanon.

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DIVIDENDS ANNOUNCED				
Company	Current payment	Date	Corre- sponding	Total for year
Avon Rubber	3.26	Jan. 23	1.24	4.50
Cardiff Matting	0.81	Jan. 13	2.42	3.23
Alfred Dunhill	2.665	Jan. 13	2.42	5.085
Gresham House	1.4	Jan. 13	1.4	2.8
Home Brewery	3.54	Feb. 1	3.57	7.11
Johnson, Matthey	6.5	Feb. 7	0.44	6.94
Marling Inds.	Nil	Feb. 7	Nil	Nil
MEPC	1.7	Dec. 29	Nil	1.7
Rothmans	0.73	Jan. 4	0.66	1.39
Tilley Lamp	4	Jan. 4	0.66	4.66

Barker & Dobson cuts deficit

THE HALF-YEAR ended October 31 at Barker and Dobson resulted in a trading loss of £49,000 compared with £599,000. After taking tax, property sales and the contribution of the Hacks division into account a profit of £22,000 against a loss of £532,000 was earned before non-recurring expenditure of £255,000.

The non-recurring expenditure comprised redundancy payments and related costs resulting from reorganisation within the confectionery division. No additional redundancy costs relating to the reorganisation remain to be borne.

The directors have embarked upon a capital expenditure programme which is necessary to modernise the group to profitability. Little, if any money has for the past several years been applied to re-equipment within the confectionery division or for the purchase of new plant within the retail division.

They report that the group as a whole is now trading profitably. For the last full year a trading loss of £597,900 was reported.

Midway rise at Sheffield Refreshment

On turnover £85,357 higher at £471,907 taxable profit of Sheffield Refreshment was almost doubled from £28,634 to £53,164 in the September 30, 1977, half year.

Profit was after interest charges of £12,543 against £17,586. After tax of £25,800 (£9,400) net profit emerges at £27,354 (£19,234).

Directors expect the full year result to be at least comparable to last year's £148,839 record, and are hopeful of increasing dividend from the 1976-77 payout of 8.175p net per 25p share. Interim dividends are not paid by the company.

Bolton Textile Mill

With the gradual improvement in both the general economy and trading conditions, sales of Bolton Textile Mill, the London-based textiles and women's clothing group, is now showing an increase over the corresponding period of last year and the directors are looking forward to

this being reflected in higher profits, Mr. I. Golekka, the chairman, tells members.

The warp knitting section of textile and clothing division proved encouraging results during 1976-77 due mainly to increased export sales following the closure of one manufacturing division in its restructured form and is expected to be able to make a greater contribution to group profit, he says.

Results from the children's wear sections last year were excellent and, with its full order books, the directors are optimistic that this trend will continue.

The leather division contributed substantially to group profit and the continuing demand for its products in the clothing, furniture and allied fields encourages the directors' confidence in future prospects, he adds.

As reported in October 1 group pre-tax profit rose from £21,000 to £305,000 for the year to April 30, 1977. The net dividend is 0.635p (with a 5p share). The total source of funds in the year was £476,000 and their application £321,000, including £165,000 for the purchase of fixed assets leaving an increase in the working capital of £155,000.

Scottish Cities Inv.

A further increase in dividend income from investments may be expected for Scottish Cities Investment Trust during the current year, says the Earl of Dartmouth, the chairman. However, he adds that this will, to some extent, be offset by the reduction in deposit interest rates.

He points out in his statement with accounts that although the balance at bankers at September 30, 1977, of £723,380 (£598,054) may seem unduly high, part of this cash had been accumulated in order to meet the repayment of £225,000 per cent. Debenture Stock 1976-77, which fell due on November 11.

As already known, pre-tax revenue increased to £436,531 (£388,378) and the dividend total lifted to 5p (4.75p) net.

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Spilink

MEPC nears £9m. and sees further growth

RECOVERY in profitability at MEPC has continued with taxable earnings for the year to September 30, 1977, advancing from £5.4m. to £8.97m. on gross rental income and other revenue totalling £11.33m., against £8.3m. At the same time, however, Mr. Gerald Thorley, the chairman, reports that a review of uncompleted developments and sites by reference to their value at completion has been conducted, and provisions totalling £38.25m. have been made in respect of some of them. The uplift in value expected from other sites and developments in progress has been disregarded.

Together with an exchange loss and other items amounting to £13.17m. (gain £3.63m.) and extraordinary debits of £5.68m. (£2.15m.), the net reduction in property value of £28.4m. (£3.33m.) has weakened reserves by £46.52m., against a £2m. increase last time.

At the March 31 half-year earnings were ahead from £1.52m. to £2.97m. While the directors still have certain problems to solve, the company has demonstrated that it has the skill and financial resources to deal with these problems, and they are confident that that profitability will continue to improve significantly in the current year, Mr. Thorley says.

Sales of investment properties in the U.K. continued during the year realising £12.7m. This involved the sale of 99 properties at a surplus over book value of £1.1m. The sales target for the next and further sales will only be made when dictated by the principles of good estate management, the chairman comments.

During the past few years the group has retained a number of major sites in excellent positions which could not be developed because of the lack of suitable demand, and a willingness by institutional sources to fund development schemes. There is now modest, if scattered demand for space at acceptable rental levels. This has been accompanied by a return of the institutions to the funding market, Mr. Thorley explains.

The directors expect that pre-letting and funding requirements will be met in 1978 to enable development of sites in Guildford and Oxford Street to begin. The Guildford project comprises a comprehensive shopping development of 150,000 square feet together with a small office content. The Oxford Street development, at the new Bond Street Station, comprising 44,500 square feet of shopping space and 41,000 square feet of offices. The group's holding in subsidiaries MEPC Housing and J. Sanders and Son (Holdings) has been reduced to around £1m. without having to make further provisions.

The income-earning part of the investment portfolio was valued on the more conservative basis of open market value during 1976-1977 and will be revalued annually in the future. Development properties were transferred on completion to the income-earning investments and were also independently valued at August 31, 1977, at a surplus over net book value of £5.6m., which has been incorporated in the balance sheet.

Overall, the loan capital of the group was reduced from £42.1m. to £16m. Contractual commitments have been reduced to £18.5m. (£28.5m.). The directors now intend to commence two major developments and one large refurbishment in the U.K., the financing of which will be comfortably

within the company's resources. The balance sheet at year-end shows cash and short term deposits of £53m. available, a large portion of which results from the sale of the investment in Canada. Extraordinary debits this time included losses of £7.2m. on the sale of certain subsidiary companies set off against gains on bond redemptions and the sale of investments.

A. Dunhill tops £4½m. at halfway

ON TURNOVER £6.05m. higher at £23.22m., taxable profit of Allred Dunhill climbed from £4.26m. to £4.8m. for the six months ended September 30, 1977.

Profit of Dunhill, a subsidiary of Rothmans International, is subject to tax of £2.44m. (£2.25m.) and minority interests of £83,600 (£77,000). Attributable profit comes out at £2.07m. against £1.55m. last year. The result includes a contribution from Montblanc-Simple for five months.

The interim dividend is stepped up from 2.45p to 2.82p net. A total of 7,886,850 per 10p share was paid last year on record taxable profit of £9.01m.

After showing a mid-year decline from £44,100 to £14,160, Cardiff Making Co. slipped into a pre-tax loss of £46,868 for the full year to September 30, 1977, compared with a £57,894 profit. Turnover increased from £519,235 to £597,247.

In August, at the time of the acquisition of Wadhama Group, the directors said that standard barbers had made it extremely difficult to produce good matts, which would mean significantly less favourable full year results.

A tax credit of £22,523 (£30,761 against loans and debts. To property development, transferred to properties held as current assets. For depreciation on overseas properties. Loss.

At half-time the group's loss had been cut from £93,306 to £26,629. A final 4p net per 25p has been declared after the return to the black. The last dividend was in 1973-74 when a total 3.6928p was paid on taxable profit of £20,904.

The profit is subject to tax of £27,655 (£19,200 credit), and earnings per share are stated at 10.6p (7.7p loss).

At the interim stage, nine months profits were £218,226, against a £8,823 deficit for the corresponding six months.

The company's activities are as manufacturers of housewares and consumer goods, chain saws and garden cultivators and metal finishing processors.

Belgrave (Blackheath) For the six months to July 31, 1977 turnover of Belgrave (Blackheath) turned in at £1.35m, compared with £1.18m. and profits fell from £111,057 to £78,851, subject to tax of £38,571 against taxable profit for the last full year was £198,630.

The company manufactures steel forgings, bolts and nuts.

Tilley back to profits and dividends

Dividend has been restored at Tilley Lamp Company after a turnaround from a £49,578 pre-tax loss to a £24,251 profit in the year to June 30, 1977.

At half-time the group's loss had been cut from £93,306 to £26,629. A final 4p net per 25p has been declared after the return to the black. The last dividend was in 1973-74 when a total 3.6928p was paid on taxable profit of £20,904.

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Rothmans ahead £8.84m. so far

ATTRIBUTABLE LARGELY to higher sales, improved margins and lower financing costs, pre-tax profit of Rothmans International improved from £39.15m. to £51.99m. in the six months to September 30, 1977. Compared with the corresponding period the overall effect of exchange rate movements on conversion of profits of overseas subsidiaries and associates was insignificant.


The net interim dividend per 12½p share is raised from 5.53p to 6.73p, costing £1.14m. (£1.03m.) and the directors forecast a total dividend of not less than £1.8m. Last year's total was £1.8415m. from profits of £66.44m.

On the six months under review the directors say that sales volume increased and further progress was made by the group's international brands of cigarettes in the domestic markets of Benelux, France and the U.K. In view of higher tobacco taxation in certain

European markets are likely to have some effect on earnings during the second half of the current year.


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IN PERSPECTIVE OVER TEN YEARS

What we do . . .

- 

TRUCK COMPONENTS
- 

SERVICE PARTS DISTRIBUTION
- 


INDUSTRIAL AND OFF-HIGHWAY COMPONENTS
- 

PASSENGER CAR COMPONENTS

SALES OF PRODUCTS AND SERVICES		
1967	1977	
IN MILLIONS		
\$272	\$967 from New products and increased marketing services
\$126	\$385 from Expanded coverage with more regional warehouses and more products
\$38	\$253 a Growth area of the Company - more products and new marketing capabilities
\$116	\$189 from Serving the areas which meet our financial standards

\$552 \$1,794
TOTAL SALES MORE THAN TRIPLED IN THE TEN YEAR PERIOD

Financial Performance		How dividends and reinvestment have been good for shareholders.	
Year ended August 31st 1977	1976	percentage change	1967 1977
Our net income after tax amounted to	\$107,800,000	+21%	Dow-Jones Industrial stock price average at August 31st
We made on each dollar of sales	6c		Dana stock price August 31st
Received from customers for products and services	\$1,780,000,000	+24%	Dana dividend - Annualized year-end rate



DANA CORPORATION

The largest independent producer of proprietary motor vehicle components in North America for the original equipment and service parts markets.

The 231 year old British Linen Bank

yesterday went back to work.

Founded by Royal Charter in 1746

On 30th November 1977 the merchant banking operations, assets and whole undertaking of Bank of Scotland Finance Company Limited—already Scotland's largest merchant bank—were transferred to **The British Linen Bank Limited.**

We are pleased to announce the revival of this respected bank which has financed trade and supported industry and commerce for more than two centuries.

Acceptances

Term Loans

Direct Investment

Corporate Finance

Deposits

Leasing

Governor: Thomas N. Risk, B.L.,
Deputy Governor: Thomas W. Walker, C.B.E., B.L.,
Chief Executive: D. Bruce Pattullo, B.A.,
Secretary: Joan Smith, M.A., L.L.B., Ph.D., Advocate

THE BRITISH LINEN BANK LIMITED

The Merchant Bank of the Bank of Scotland Group.

4 Melville Street, Edinburgh EH3 7NZ. 031-226 4071 · 87 St Vincent Street, Glasgow G2 5TJ 041-221 6692

BIDS AND DEALS

BTR buying Allied Polymer for £9½m.

BY KEITH LEWIS

BTR, the industrial holding company whose interests range over engineering, materials handling and transport, has agreed to take over Allied Polymer Group on terms which value the company at just under £9.5m.

Shareholders are offered 50p a share in cash. The directors of APG, advised by merchant bankers N. M. Rothschild, are recommending the offer. APG was one of the more logical industrial exercises undertaken by Slater Walker Securities (now Britannia Arrow Holdings). The rubber and plastics interests of Frankenstein Group, P. B. Cow and Greengate and Irwell Rubber were floated off by SWP, under the name of Allied Polymer, in 1971 at a price of 75p a share. APG was hugely successful at the outset. The author of a recently published book, entitled simply "Star Walkers", states that the merger was "a good one—in many ways the best to emerge from the dismantling of the Slater Walker conglomerate."

The group began to encounter difficulties during 1973 and early in 1976 it was announced that two major developments—mainly involving the Australian interests and the heavy hose side of the U.K. business—would result in APG missing its profit forecast. In April, 1976, the company reported pre-tax profits of £2.5m, against £3.4m.

One year later, the group reported profits a further £1m lower at £1.2m, accompanied by a passed dividend. In the meantime, Mr. Richard Tarding, a former colleague of Mr. Jim Slater, the SWP chairman, resigned his directorship with APG.

A recovery in APG's interests began this year and pre-tax profits for the first half of 1977 amounted to £575,000, more than double the figure in the corresponding figure in 1976.

The move by BTR was preceded by a rise in the APG share price which was suspended at 37p, up 4p on the day, and 5p on the level a week ago. It is expected

FRUEHAUF GIVES ASSURANCES TO CRANE WORKERS

Mr. George Malley, a top executive of Fruehauf Corporation of Detroit and President of Fruehauf International, yesterday gave assurances to 46 trades union representatives of Crane Fruehauf—the Norfolk trailer manufacturer whose Board is presently trying to fend off a takeover bid from Fruehauf—over future employment within the group, should a bid prove ultimately successful. Without supporting the bid from Fruehauf, which has around 44 per cent of Crane Fruehauf, the trades unions were said to be impressed by the assurances given by Mr. Malley, which include future growth of Crane Fruehauf without undue interference from Detroit. They also looked forward to a speedy conclusion to the negotiations.

CONSTANTINE EXPANDS

Middlesbrough shipping and forwarding group, Constantine, which claims a turnover of £30m, has just announced its fourth acquisition in 18 months. The latest purchase is another shipping and forwarding company, C. Carriage of Manchester.

Constantine, a privately owned company in which the family has a controlling interest, showed a turnover of £15m in the year to March, 1976 but since then it has embarked on a series of acquisitions, and now claims that including Claridex, turnover has virtually doubled. Profits in 1976 were £353,000 over twice as high as in the previous year.

NEWELL MACHINE

B. Elliott's offer for the Preferred Ordinary shares of Newell Machine Tool has been accepted.

Edinburgh & Dundee battles on

Edinburgh and Dundee Investment Trust continues to put up a spirited defence against the British Rail Pension Fund's bid of 107.5p. Although acceptances of the Britrail offer are running at around 60 per cent, Edinburgh and Dundee stresses that as long as the offer remains conditional, and no definite closing date for acceptances has been announced there is no risk for those who continue to reject the offer of them becoming minority shareholders in a company controlled by Britrail.

S&P GETS BETTER PRICE FOR U.S. INTERESTS

Save and Prosper, the U.K.'s largest unit trust group, has secured an increased price from the Life Insurance Company of North America for its U.S. insurance interests. Investment Annuity Inc., in which S and P holds 52 per cent of the equity, has announced that LINA has now offered US\$12.6m for First Investment Annuity Company of America, the only operating subsidiary of LINA. This is US\$30.6m higher than the initial offer, and it remains open until December 5. The effect of this new offer, worth nearly US\$55m, to Save and Prosper, will be that it will be able to get out of its U.S. involvement with almost all of its original investment of US\$8m. However, the Board of Investment Annuity stated that it is continuing negotiations with LINA. This revised offer is still subject to certain conditions including

HELENE OF LONDON IN JOINT VENTURE

Helene of London, the fashion manufacturer in which the Commercial Industrial and Commercial Finance Corporation has a 10 per cent stake, is to enter a new joint venture under its Protal Porter label. The move also includes a Boardroom shuffle. The new trading venture involves a joint venture with a private bank owned by Mr. David Baigier, one of the directors of Helene. Helene will be supplying all the finance for the arrangement and Mr. Baigier is promoted to joint managing director, replacing Mr. Montague Passes who, however, remains on the Board. Mr. Passes has also sold his 2.1 per cent stake in Helene to Mr. Baigier.

SECURITY PACIFIC PAYS £8M. FOR U.K. GUARANTEE

Security Pacific Finance, the U.K. instalment credit subsidiary of Security Pacific Corporation, Los Angeles, has completed the £8m purchase of the business of United Kingdom Guarantees Corporation. The deal troubles Security Pacific Finance's outstanding balances and the number of customers served. Commenting Security Pacific Finance managing director, Mr. Ron Basher, said that U.K. Guarantees has specialised principally in the provision of motor H.P. through eight offices centred in the south-east of England.

Security Pacific Finance, which also has eight branch offices, intends to offer through the combined network the whole range of its financial facilities which are geared to serve the consumer, commercial and industrial interests through the medium of H.P. leasing and Personal Loans. Security Pacific Finance's ultimate aim is to have a national network of offices in the U.K. and will seek to do this by organic growth and/or suitable acquisitions. Security Pacific Finance is a wholly owned subsidiary of Security Pacific National Bank, the tenth largest bank in the U.S. with total assets in excess of U.S.\$17bn.

JOSEPH STOCKS PURCHASE

Joseph Stocks and Sons (Holdings) has acquired from Booker McConnell, the assets of two wholesale provision merchants operating in Manchester and Birmingham. These assets comprise land and buildings, plant, machinery, fixtures and fittings, motor vehicles and stock. The consideration, equal to book value of assets, was satisfied in cash on completion.

India objects to tea merger

The Indian Company Law Board and the Income Tax authorities have objected to a merger scheme filed on behalf of eight sterling tea companies belonging to the Walter Dundee and Goodrickie Group. E. D. obviously feels confident that there is little chance of Britrail pulling out; and an obstinate minority could prevent

Cazenove and Co. on Friday for the account of the National Coal Board Pension Funds bought 510,000 British Investment Trust shares at 158p and 45,000 at 154p, all non-assented. Also on Friday for the account of Black Diamonds Pensions, a company wholly owned by the National Coal Board Pension Funds, they bought 135,000 British Investment Trust shares at 160p.

Cazenove and Company on Monday purchased 45,000 British Investment Trust ordinary shares (assented) at 160p for the account of Black Diamonds Pensions, a company wholly owned by the National Coal Board Pension Funds. Cazenove also purchased 10,000 British Investment Trust Ordinary shares (non-assented) at 158p for the account of the National Coal Board Pension Funds.

BALAMUNDI CUTS T. WITTER STAKE

Thomas Witter announces that Balamundi World Corporation (U.S.A.) now holds 1.72m shares of the company (19.8 per cent), which compares with the previously notified interest of 4.6 per cent.

SELTRUST

Acceptances of the offer by

Share stakes

Automotive Products—Lucas Industries has acquired a further 625,000 Ordinary shares. This brings Lucas' total interest to 4,285,750 shares (11.43 per cent). Hanson Trust has acquired an equity investment of more than 5 per cent in Cosalt (5.08 per cent), Lindustris (5.62 per cent), Selincourt (6.0 per cent), Sidlaw Industries (5.63 per cent). Third Mile Investment—Mr. J. E. V. Rice, director, has acquired 196,000 Ordinary shares (8.16 per cent.) from family interests. Mr. Rice is now interested in 317,000 shares, 17.57 per cent. Provincial Laundries—Linnet Consultants and associates acquired 381,111 Ordinary shares, approximately 9.48 per cent. L. E. Invest—Practical Investment Company has increased its holding by 10,000 shares to 310,000 shares. Cazenove and Co. on Tuesday purchased 1,500 British Investment Trust Ordinary shares assented 165p for the account of Black Diamonds Pensions, a company wholly-owned by the National Coal Board Pension Funds.

W. Greenwell and Co. bought 36,000 Crane Fruehauf at 100p on behalf of Fruehauf International. F. G. Macgregor and Co. sold 1,200 B.I.T. assented at 164p on behalf of an associate of British Investment Trust. Capsales: Cape Altmann International has acquired a further 140,000 Ordinary shares in com-

BRADFORD PROP. £1M. LAND SALE

Bradford Property Trust has exchanged contracts for the sale of 98.8 acres of non-residential land at Martleash Heath. The sale will add more than £1m to the trust's cash resources, allowing for any consequential taxation; the land is part of the company's trading stock.

ASSOCIATES DEALS

Greenfell and Colgrave announces that an associate of Madame Tussaud's through Greenfell has bought for a discretionary investment of £10,000 Madame Tussaud's at 47p.

BLACK AND EDGINGTON

Black and Edgington is acquiring C. Green, a London-based industrial textile manufacturer. The price will be based on three times current annual pre-tax profit subject to a maximum of £620,000. Black and Edgington, a joint managing director of Black and Edgington said yesterday that the acquisition further strengthens the group's position in the industrial textile field which covers the whole range of textile products from tarpaulins to industrial workwear. This side of the group has performed extremely well recently and the prospects are good.

The leisure side of Black and Edgington, which is Britain's biggest camping equipment manufacturer, was greatly expanded in March of this year when it acquired A-line Caravans of Hull, one of the leading U.K. manufacturers of caravans.

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BURNETT & HALLAMSHIRE GROUP

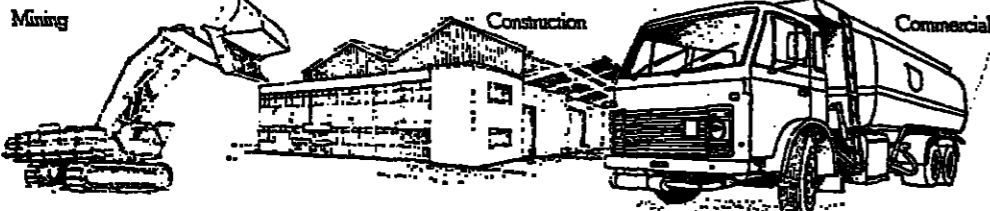
A FURTHER INCREASE AT INTERIM STAGE

- Pre-tax profits increased by 35%
Turnover increased by 44%
Earnings per share increased by 37%
Progress will be maintained as planned

NIGEL EWIFFEN CHAIRMAN

six months ended 30-9-77 six months ended 30-9-76

Table with 3 columns: Item, 30-9-77, 30-9-76. Rows: Turnover, Pre-tax Profit, Earnings per Share, Dividend per Share.



BURNETT & HALLAMSHIRE HOLDINGS LIMITED 79 PSALTER LANE SHEFFIELD S11 8YS

BPM "DOES THE ROAD WIND UP HILL ALL THE WAY?" HOLDINGS LTD

The 34th Annual General Meeting of BPM Holdings Limited was held on November 30th, 1977, in Birmingham. The following are extracts from the circulated statement of the chairman, Sir Michael Clapham, K.B.E.

"While the scene is not entirely dark, other nationalities or in your company's affairs, the year 1976-77 was, as I have indicated, a dark one, in which there was little opportunity for growth, competition was intense and profits were hard to earn. In the circumstances an increase in pre-tax profits of 50% is welcome and enables us to recommend increasing the dividend by the permitted 10%. We cannot regard it as yet being satisfactory, but knowing the circumstances in which it was earned I can properly pay tribute, on behalf of the shareholders, to the considerable efforts both by managers and other employees, which enabled the company to move in the direction of a tolerable return on capital. Last year I wrote of the need, in our newspaper activities, to reduce manpower, streamline production methods and complete the introduction of new technology at Colmore Circus with as little hardship as possible. 1976-77 has been a year of substantial progress in that task. There have been voluntary redundancies, and the considerable sums paid out in compensation have reduced the year's profits. There have been retaining programmes, changes in people's work and dislocations while moving from hot metal to computer-based photo-composition which have been irritating to editorial and production staff, management and, not least, our readers and advertisers. There is still some way to go to complete the change of technology, but in retrospect it has been a year of marked progress. If all goes well in the coming year, the recovery in our affairs should continue, and the introduction of the new technology should be taken to a further stage. But it will be a testing period in our industrial

relations, as the Government's very necessary pressure to reduce the rate of inflation encounters the resentment built up in a year when prices have risen much faster than net incomes and the anomalies arising from years of rigid controls have become more glaring.

"The circulation of the papers of the Birmingham Post & Mail Limited did not show a continuation of last year's downward trend, and in particular the Sandwell Evening Mail showed a good gain in circulation as it did in advertising. Advertisement volumes in the other papers did not quite reach the previous year's levels, owing to the depressed state of the retail market. However, a realistic policy on advertisement rates and cover prices resulted in a substantial increase in revenue, matched by almost equally large increases in newspaper and service costs and the bill for salaries, wages and National Insurance. West Midlands Press Limited had its best year since moving into the Leamore plant at Walsall, brought about mainly by the improvement in advertisement revenue during the second half of the year and the continued tight control on expenditure. ABC Weekly Advertiser Limited once again also had a profitable year. London and Westminster Newspapers Limited, our small group of London weeklies, had an excellent year, with record trading results, and a substantial surplus after all financing costs. P. Dillon & Company Limited, our retail newsagency group, showed a small increase in profits to just below the 1976 peak. Profits were held back by the costs of the refitting programme which is now virtually completed, and by the large increase in branch wages resulting from the 5% per week increase which was given in July 1976 under Phase 1 of the pay policy. There was a net increase of only one in the number of branches during the year, but renewed growth is planned for the current year."

The Report and Accounts were adopted.

BPM HOLDINGS LTD

28 Colmore Circus, Birmingham B4 6AX

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 7 per cent. (since November 25, 1977) Interest rates rose sharply in early trading in the London money market yesterday, but then retreated following the indication that the Bank of England does not wish to see a further increase in Minimum Lending Rate this week. Discount houses buying rates for three-month Treasury bills finished at 6½-6¾ per cent, slightly lower than on Tuesday, and suggesting that M.L.R. is likely to remain at 7 per cent at Friday's Treasury bill tender.

Day-to-day credit was in good supply, and it may have been expected that the authorities would absorb a surplus. Funds were generally slow to appear however and in the end the Bank of England gave moderate assistance by lending to one or two discount houses, overnight at M.L.R. Banks brought forward surplus balances, there was a fairly large amount of net maturing Treasury bills, and the market was also helped by very substantial surplus Government disbursements over revenue payments to the Exchequer. On the other hand there was a slight increase in the rate of speculation, and funds continued to be drained by the call on 10½ per cent Exchequer 1997. Discount houses paid 5½-5¾ per cent for secured call loans in the early part, but closing balances were taken at 1-4 per cent. In the interbank market overnight loans opened at 5½-6 per cent and eased to 4-4½ per cent, before rising to 5-5½ per cent, but falling at the close to 4-4½ per cent. Rates in the table below are nominal in some cases.

Table with 10 columns: Item, Rate, Item, Rate, Item, Rate, Item, Rate, Item, Rate. Rows: Overnight, 1 day, 1 days banked, 1 day, 2 days, 3 months, 6 months, 9 months, 12 months, 2 years.

Local authorities and finance houses advise days' notice, others seven days' notice. * Longer-term local authority mortgage rates normally three years 10 per cent, four years 11½ per cent, five years 12½ per cent. ** Bank Bill rates in per cent. Approximate selling rate for one-month bank bill 8½-9 per cent; two-month 9½ per cent; three-month 10½ per cent. Finance House Rates (for small sums at seven days' notice) 2-4 per cent, and also three-month, and three-year. Bank Deposit Rates (for small sums at seven days' notice) 2-4 per cent, and also three-month, and three-year. Treasury Bills: Average tender rates of discount 6.025 per cent.

Hargreaves Group half-year results show further positive growth

- Group pre-tax profit for the first time exceeded £2 million at the half way stage.
Group profit after tax rose 11% to £962,000.
22% increase in Group turnover to £70,448,000.
Interim Dividend increased to 1.3 pence per share, payable on 27th January, 1978.
Retained earnings up by £619,000.

Summary of Results

Table with 3 columns: Half-Years to 30th September, Year to 31st March, Item. Rows: Profit before taxation, Profit after taxation, Earnings per share, Group Turnover.

Hargreaves Group, Bowcliffe Hall, Bramham, Wetherby, W. Yorkshire LS23 6LP. Commercial vehicle distribution; plant hire, contracting and waste disposal; fertilisers; fuel oil and solid fuel; insurance; quarrying; transport, shipping and warehousing.



The British Petroleum Company Limited £1 Ordinary Stock Units

Offer for Sale by the Bank of England on behalf of H.M. Government

Final Instalment Due 6th December 1977

The Bank of England wish to remind holders of Letters of Acceptance that the final instalment of £5.45 per £1 Stock unit MUST BE PAID BY 3 P.M. ON 6TH DECEMBER. Cheques for the amounts due, made payable to the Bank of England and crossed "Not negotiable - BP Stock" must be forwarded, with the LETTERS OF ACCEPTANCE, to the APPROPRIATE RECEIVING BANK whose name and address appears in the box on the right-hand side of page 1 of the Letters of Acceptance.

Registration of Renunciation

The attention of holders of renounced Letters of Acceptance, i.e., those with Form X completed or marked "Original duly renounced", is drawn to instruction 5 on page 3 of the Letter: it is essential that both Declaration (A) - where appropriate - and Declaration (B) at the foot of page 4 are signed before fully paid Letters are lodged for registration of renunciation on or before 15th December.

Lake & Elliot, Ltd. VALVES, STEEL CASTINGS ENGINEERING

EXTRACTS FROM THE REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st July, 1977

Table with 3 columns: Item, 1977, 1976. Rows: Group Turnover, Group Trading Profit, Earnings per Ordinary Share, Ordinary Dividend.

"Although the long term market prospects remain obscure, there has recently been a considerable improvement in the order position, the effect of which should be felt in the second half year. The Company, therefore, having taken drastic action to recover its momentum, faces the future with confidence tempered with prudence."

Peter Lake, Chairman

Copies of the Report and Accounts are available from the Secretary, Middlesex House, 23 High Street, Edgware, Middlesex HA8 7HR

Handwritten signature or mark.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Ericsson's nine month earnings rise by 13%

BY WILLIAM DULLFORCE STOCKHOLM, Nov. 30. L. M. ERICSSON, the Swedish telecommunications group, reports a 13 per cent. improvement in earnings to Kr.515m. (\$59.2m.) for the first nine months and 5 per cent. growth in turnover to Kr.5.3bn. (\$617m.)

Peugeot heads for growth

BY DAVID CURRY PARIS, Nov. 30. AUTOMOBILES Peugeot, which historically ought to be the more profitable half of the Peugeot-Citroen combine formed just over a year ago, is heading for at least maintained and probably improved profits in 1977, it will also build around 750,000 vehicles which will surpass last year's record of nearly 758,000.

AMERICAN NEWS

ICC may take legal action

A COURT-APPOINTED Investigator told the Securities Industry Association Meeting in Boca Raton, reports AP-D.J. In a speech before Wall Street's major trade group, Carwell didn't specify any approaches but said the Treasury would seek the advice of the securities industry "in fashioning the right approach and in thinking of creative alternatives."

Outlook at Rexnord

By Kenneth Gooding, Industrial Correspondent MORE than 250 institutional investors, mainly from the U.K. but also from other parts of Europe and the Middle East, were given a "touch-in" by senior executives of Rexnord, the diversified engineering group, in London yesterday.

Dayco Corp. earnings rise

By Lynton McLean THE DAYCO Corporation of Dayton, Ohio, has announced a 10 per cent. increase in net earnings for the first nine months of this year compared with the same period in 1976. Earnings of \$3.4m. were achieved on sales for the period of \$413.6m., up 15 per cent. on the previous nine month period.

November turnaround at Bache Group

BACHE GROUP Inc. president Mr. Harry A. Jacobs Jr. told the annual meeting that the company had had a very substantial increase in November gross revenues and that October's trading losses had been stopped, as a result of the turnaround in the bond market.

AT and T estimates

AMERICAN TELEPHONE and Telegraph will have to spend "a cool \$100m." and have "about 3,000 people...working-on-discovery proceedings alone, in its

Treasury Dept. tax hint

THE TREASURY Department "is prepared to seriously consider" proposing special tax treatment for stock offerings of emerging new companies, Robert Carwell, Deputy Secretary of the Treasury

Deutsche Bank ahead

BY JONATHAN CARR BONN, Nov. 30. DEUTSCHE BANK, West Germany's biggest commercial bank, has followed Citibank in announcing a sharp rise in operating profit in the first 10 months of the year.

EUROBONDS

MLR hint helps sterling issues

BY FRANCIS GHILES THE SECONDARY bond market eased at the start of trading but was a little easier yesterday as some profit taking developed.

SELECTED EURODOLLAR BOND PRICES

Table with columns for Bond Type, Maturity, and Price. Includes entries for Straights, Eurodollars, and Eurobonds.

NOTES

Table listing various financial notes and their prices, including Australian, Canadian, and US notes.

DM BONDS

Table listing German Mark (DM) bonds and their prices.

FLYING RATE NOTES

Table listing flying rate notes and their prices.

Resignations at Malmros

BY WILLIAM DULLFORCE STOCKHOLM, Nov. 30. THE CHAIRMAN, Mr. Axel Roos, and two other directors left the Board of the crisis-ridden Malmros shipping company yesterday after a clash at an extraordinary general meeting with the managing director, Mr. Frans Malmros.

NOTICE OF REDEMPTION

To the Holders of

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

8 3/4% Guaranteed Debentures Due December 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 15, 1970 providing for the above Debentures, \$2,000,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1977 (\$1,000,000 principal amount through operation of the mandatory Sinking Fund and \$1,000,000 principal amount through operation of the optional Sinking Fund) at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF \$1,000 EACH

Large table listing individual debenture serial numbers for redemption, organized in columns.

On December 15, 1977, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Banca Vovillier & C. S.p.A. in Milan and Rome; Bank Mees & Hope N.V. in Amsterdam; and Kredietbank S.A. Luxembourg in Luxembourg. Payment at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due December 15, 1977 should be detached and collected in the usual manner. On and after December 15, 1977 interest shall cease to accrue on the Debentures herein designated for redemption.

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment: 25-672 2243 2109 3218 3222 6260 6264 7154 12670 12713 15651 18838 18914

Western American Bank (Europe) Limited

Agent

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Overseas issue for Banco do Brasil

By Sue Bradford
SAO PAULO, Nov. 30.
CARLOS RISCHBIETER, resident of the Banco do Brasil, has confirmed that his bank will shortly be issuing shares abroad, possibly in New York. Other state-owned entities, such as Petrobras, the oil company, and Cia. Vale do Rio Doce, the mining complex, may follow suit.
The proposal was recently made by Roberto Teixeira da Costa, head of the Comissão de Valores Mobiliários, Brazil's equivalent to the U.S. Securities and Exchange Commission, and it has received the public support of Mario Henrique Simonsen, Minister of Finance.
The objective behind the initiative is to ease pressure on the foreign debt, which now stands at around \$30bn, the highest among developing countries. Some economists have opposed the measure.
At the same time, Wolfgang Bauer, president of Volkswagen in Brazil, has suggested that subsidiaries of foreign companies should contribute to the government's efforts to improve the balance of payments situation by converting part of their foreign debt with their parent companies into preference shares. Foreign executives consulted were sceptical of the proposal, arguing that Volkswagen de Brasil does not itself have a foreign debt with its parent company.
However, this suggestion has been made earlier by government officials who claim that the massive influx of loans rather than capital investment, has been a way in which multinationals have avoided payment of income tax on repatriation of operating profits. They point out that, in a study carried out by the federal government body, the Economic Development Council, it was discovered that in 1974 multinationals brought into Brazil \$681.7m. in the form of loans, as compared with only \$120m. in the form of "Equity" investment.

MEDIUM TERM CREDITS

Karun Agro \$50m. loan

BY FRANCIS GHELE
KARUN AGRO Industry Inc., of Iran is raising \$50m. for seven years at a spread of 1 per cent over the interbank rate from a small group of banks led by First Chicago. Terms include a three-year grace period from the date of signing, and the loan is jointly guaranteed by Agricultural Development Bank of Iran and Industrial and Mining Development Bank of Iran, both of which are Government owned.
These terms are less generous to the borrower than those of more recent loans to Iran, but negotiations were initiated before the further recent fall in spreads.
The higher spread is also explained by the fact that the borrower does not have the prestige of other Iranian ones currently in the market.
The proceeds will help finance an ambitious sugarcane project in the Karun River basin of the province of Khuzestan. The factory's capacity is expected to allow for the refining of 840 metric tons of sugar a day.
The cost of the project is \$433m, most of which will come from Iranian sources. The \$50m. loan represents the amount of hard currency needed to purchase the necessary machinery.
A Brazilian borrower, Ferrovia Paulista, the Sao Paulo State railway agency, is raising \$150m. for eight years on a spread of 2 1/2 per cent. Lead manager is Manufacturers Hanover Trust, and the loan carries a sovereign guarantee. Conditions are unchanged if compared with other recent loans to Brazilian borrowers who are not enjoying the benefits of the continuing fall in spreads.
Another Latin American country is currently raising two loans, totalling \$42m. Costa Rica's Central Bank is borrowing \$14m. for seven years on a spread of 1 1/2 per cent. Other terms include a two-year grace period and the proceeds are earmarked for port development. Lead manager is Singer and Friedlander.
Meanwhile the Republic is borrowing \$22m. on identical terms from a group of banks led by Guinness Mahon.
ENI affiliates continue to borrow. This time it is the Nassau based Tradinvest Bank and Trust Company, an affiliate of the Italian State oil company which is raising DM100m. for three and a half years on a spread of 1 per cent (with a minimum of 1/2 per cent.) over the DM interbank rate. The loan is guaranteed by SNAM which is ENI's transport and marketing arm.
Seditic SA, which is leading this loan is 75 per cent. owned by Banca Commerciale Italiana and 25 per cent. by Paribas (Swiss) which is also included in the management group.
Korean Airlines has just signed a loan for \$23.85m. for seven years on a spread of 1 1/2 per cent. from a group of banks led by Bank of America. This represents part of a larger package, amounting to \$85m. which has been arranged to finance the purchase of a Boeing 747. The rest of the sum is being provided by Exim Bank.

Ataka write-offs hit banks

SUMITOMO BANK has cutties in 1975 as a result of its involvement with Newfoundland Refinery Company (NRC), a subsidiary of Shabon Natural Resources of New York.
Kyowa Bank, with the second largest share in the Ataka debts wrote-off Y44.7bn, and reported a fall in net profits in the half-year to Y5.07bn, from Y5.166bn.
The bank's write-off of claims receivable from Ataka and Co., which was merged into C. Itoh in October, to form the third largest trading concern in Japan, against Y9.535bn, after the amounting to Y113.2bn. Another write-off of Y19.2bn. in Ataka 15 Japanese banks took write-offs debts, which was offset by reserves in Ataka account during the half year, bringing the total to Y199.7bn.
Sumitomo Bank said that its Ataka write-off was covered by Y29.1bn. from income in the half-year, Y27.6bn. from liquidation of part of its reserve for loan losses, Y26.2bn. in profit from sale of securities, and Y20.3bn. in tax refunds.
Banks with Ataka debt were able to take advantage of the tax laws allowance of companies which register a deficit income to apply for refunds against corporation taxes paid in the previous year. The Y20.3bn. tax refund to Sumitomo was made possible by its claiming a Y12bn. loss on income.
Sumitomo expects to return to previous levels of profitability in the current half-year. Its dividend has been maintained at Y2.5 a share.

Japanese City Banks' results for half-year to September 30

Table with columns: Bank Name, Net profit (1977, 1976), Current revenue from operating income (1977, 1976), Deposits (end-period) (1977, 1976). Rows include Bank of Tokyo, Dai-ichi Kangyo Bank, Daiwa Bank, Fuji Bank, Kyowa Bank, Mitsubishi Bank, Sumitomo Bank.

Hanimex sales ahead in first quarter

By Our Own Correspondent
SYDNEY, Nov. 30.
SALES OF Hanimex Corporation, importer and manufacturer of photographic and electrical equipment, rose 10 per cent. in the first quarter of the current year, chairman Mr. A. W. Uther told shareholders at today's annual meeting in Sydney.
The directors expected this rate of increase to continue for the first half year. In general trading had been buoyant but group figures for the six months would be affected by a reduction in international export sales to major customers from the level more normal in the last few months of the 1976 year.
Growth rates in Australia had been particularly satisfactory in the marketing operations, as well as in photography. The company continued its emphasis on product development and planned the introduction of an important new camera range for 1978.
Production at the factory in Ireland was progressing very satisfactorily and good progress had been made with reorganising the factory at Michigan in the U.S. Mr. Uther said while 1977 was a very successful year, more normal patterns of growth was expected for 1978 which was viewed as a year for consolidating and providing a firm platform for the future.

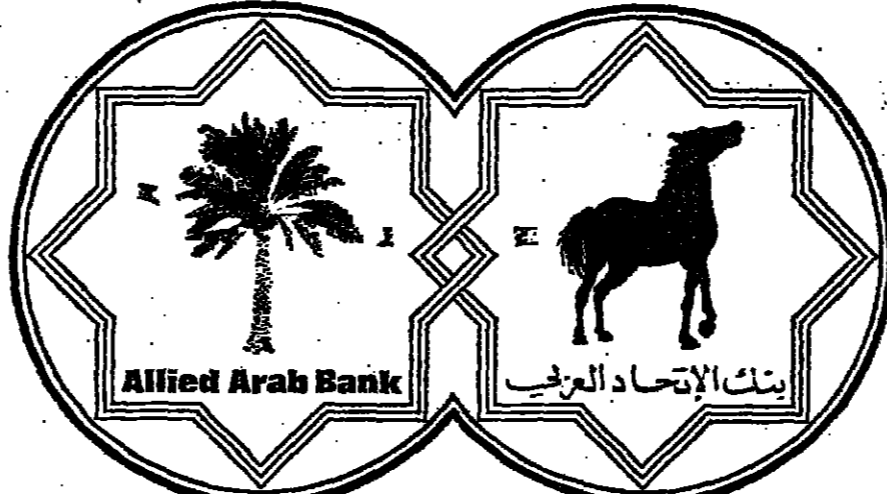
AUSTRALIAN TAKEOVERS A day of surprises

BY JAMES FORTH
SYDNEY, Nov. 30.
BUILDING products maker, A. V. Wehl Industries today swung a surprise \$A13.3m. bid for hardware group, Lloyds Holdings. The bid momentarily stunned the Stock Market because Wehl had been building up a stake in Lloyds, but had several times stated that it had no plans to make a full offer.
At the same time another controversial takeover situation has taken a new twist. Interests associated with a director of Davleco Industries have withdrawn a discriminatory takeover offer for Davleco because of pressure from the Melbourne Stock Exchange.
A. V. Wehl made its first move on Lloyds early this month when major hardware group, John McIlwraith Industries sold its 11.8 per cent. shareholding. McIlwraith obtained the stake during an unsuccessful bid for Lloyds early in 1976. The Melbourne Stock Exchange queried Wehl after the purchase and the directors replied that it was intended to buy more Lloyds shares on the market. However, an outright offer was "not contemplated" and the number of shares to be sought had not at that stage been decided.
Lloyds chairman and managing director then held a meeting with Wehl's managing director and were told that Wehl intended to acquire a substantial minority holding but was not seeking a controlling interest. Lloyds released a statement saying the directors were "most disturbed" by this situation and considered that Wehl should make an offer for all the capital so that all shareholders were treated equally.
The question of bidders gaining control through market purchases but not extending a comparable offer to all shareholders is a controversial issue in Australia at present.
Lloyds' merchant bank adviser, Hill Samuel Australia has also acted as adviser for two recent cases: Murrumbidgee Holdings, where Southern Packers gained control and thwarted takeover negotiations being held by Murrumbidgee and Luke Ltd. where Adelaide Steamship gained control and defeated a formal offer for Luke from NKS (Holdings). Southern Packers has agreed to make an offer for the remaining Murrumbidgee shares within six months, but Adelaide Steamship has no plans for a formal bid for Luke.
Wehl is offering \$A1.65 a share in cash, which is the highest price it has paid to date. Wehl already holds just over 20 per cent. of Lloyds capital and has declared its bid unconditional which means that it should quickly be assured of gaining control—but may well end up without acquiring all the shares.
Wehl directors said they were making the bid because Lloyds said they should and would seek the support of Lloyds' directors in recommending acceptance.
The dilemma for the Lloyds' Board, is that although they called for an offer it is worth less than the McIlwraith bid which they vigorously opposed last year. The McIlwraith offer valued Lloyds at \$A13.2m., but since then Lloyds shareholders have put up another \$A1.2m. through rights issues, which if allowed for means the Wehl offer is lower.
However, before Wehl began buying Lloyds shares stood at takeover offers.

Cycle and Carriage profits up

BY H. F. LEE
SINGAPORE, Nov. 30.
REFLECTING the general cent. in 1976 to 13.5 per cent in Carriage, whose main agency lines are Mercedes and Mitsubishi cars, is due to the successful introduction of the new Mercedes 200 and 250 series.
Cycle and Carriage also reported that it has made extraordinary gains of \$54.93m. which will effectively bump up total after-tax profit to \$294.9m., September, 1977. Group pre-tax profit shot up by 64 per cent. to \$339.35m., while at the after tax level, the figure attributable to shareholders was 57 per cent. higher at \$319.98m.
The earnings rise was achieved against a 43 per cent. increase in group turnover to \$290.73m., \$55.35m. for the parent company, and the exchange gain via. Only a few days ago, accounted for 68 per cent. of the turnover, faster growth was recorded in Singapore with sales increasing by 80 per cent. as against a 31 per cent. in the group made an exchange and end reported a 48.5 per cent. margin also went up from 1.8 per cent.
The improvement at Cycle and Carriage follows a spate of bullish results from motor companies in Singapore and Malaysia.
Cycle and Carriage declared a final dividend of 15 cents per share, thus increasing the total dividend for the year to 34 per cent. Last year, the group paid total dividends of 18 per cent.
Cycle and Carriage's profit announcement follows a spate of bullish results from motor companies in Singapore and Malaysia.
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Houseman's Law of Life Assurance, Ninth Edition, 1977 Ed. B. P. A. Davies... CTT and other recent developments in the law have been fully assimilated in the latest edition of this famous work. It has been usefully split into a general section and a taxation section. Butterworths Cased 0 406 89705 7 £15.00 net Limp 0 406 89706 5 £9.00 net

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French painting in the Hermitage Museum Anna Barskaya (compiler) Zapiski raznykh let L. O. Pasternak... A superb compilation of the complete collection of French paintings in the Hermitage museum in the period from the second half of the 19th to the early 20th centuries. Aurora, Leningrad £16.50

Caravaggio and his Followers S. Vsevolozhskaya & I. Linnik... 187 canvases and their details by 40 different artists of the Caravaggio circle together with a number of unidentified works of the period and schools which are housed in Soviet art galleries. Aurora, Leningrad £18.75

BOOKS

Holding the gorgeous East in fee BY C. P. SNOW

Venice: The Rise to Empire by John Julius Norwich. Allen Lane. £7.50 319 pages... This is the first of two volumes by Lord Norwich on the history of Venice. It is really not necessary to say much more than that the whole work will be the standard treatment in the English language, and probably the best treatment in any language. However, I am going to indulge myself by writing further. I could rationalise that by saying that I am doing it because Venice is not only the most beautiful artefact that man has made, but also because the Venetian Republic was one of the most interesting, and most perfectly understood lessons in human organisation. But in fact I am writing just because I love the place. The Venetian Republic had a continuous history of over a thousand years, from the eighth century to 1797. Before that first century administration got going, though, there was trade. The Venetians traded, and made money, from the time of Attila (round 450 A.D.), when they found the mainland too dangerous and so took refuge in the lagoon. The lagoon gave them nothing but mud flats and reeds, but at least they could survive on fish and birds, and were safe. Once safe, within a short time they had started seaborne commerce with Byzantium. By 700 A.D. or so the little island communities had accumulated some wealth, and soon combined to form what we should now call the Republic. The Venetian constitution, and the useful structure developed out of something of a marvel, Venetian history, in terms of drama, is rather uneventful, which is part of the marvel. Norwich does his best with it, and no one could do better; but there were just two episodes of internal commotion, both middling by contrast with the most minor risings in England, in those thousand years. There were plenty of small scale wars, triggered by a nuclear device expected to be eight times as powerful as the great quake of 1906. But that is only the start. What if an earthquake along the San Andreas Fault were to be triggered by a nuclear device planted by terrorists? Does that sound far-fetched? Not at all, for as one digs deeper into this remarkable novel and discovers how well advanced we are along the road to self-destruction. Not are MacLean's characters belittled by the enormity of the plot. The nasties are genuinely nasty, the heroes a little less so. Read it. With Risk, and the more rustic delights of Dick Francis, we are on less ambitious ground. One would have expected by now that the author had exhausted the sport of horse-racing and all its crooked possibilities, but no. This one concerns a 31-year-old bachelor chartered accountant who just happens to excel as an amateur steeplechase jockey and whose forays among the ledgers of his horse-owning clients surs a considerable can of worms. Flash.

Fiction Coming tremors BY MICHAEL THOMPSON-NOEL

Goodbye California by Alistair MacLean. Collins, £4.25. 318 pages... Risk by Dick Francis. Michael Joseph, £3.95. 252 pages... Flashman's Lady by George MacDonald Fraser, Barbara and Jenkins. £4.50. 328 pages... Unless you really do know Uranium 235 from Plutonium 238, or 6.5 on the Richter scale from 7.5, or indeed the San Andreas Fault from its Newport-Inglewood counterpart, then buy. Not are MacLean's characters belittled by the enormity of the plot. The nasties are genuinely nasty, the heroes a little less so. Read it. With Risk, and the more rustic delights of Dick Francis, we are on less ambitious ground. One would have expected by now that the author had exhausted the sport of horse-racing and all its crooked possibilities, but no. This one concerns a 31-year-old bachelor chartered accountant who just happens to excel as an amateur steeplechase jockey and whose forays among the ledgers of his horse-owning clients surs a considerable can of worms. Flash.

Building well BY H. A. N. BROCKMAN

The Late Middle Ages by Wim Swaan Paul Elek. £18.00. 230 pages... An exuberant and brilliant account of the architecture and art of the late medieval period. Illustrated with the author's own photographs... A substantial overall history of the great Minister of York, with contributions from a number of writers. This is undoubtedly an essential book for the student, in which political and social history, liturgy, music, architecture and the arts are all well covered, but it seems that too little is said of any references to the magnificent work of construction.

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George MacDonald Fraser: Flashman in Borneo

As usual, nicely claustrophobic and very well observed. Flashman's Lady is yet another milestone in the rascally progress of everyone's favourite poltroon. This time our hero makes his infamous way from Lord's to Borneo to Chinatown to the slave-palace of a mad black queen. Malice galore, treachery by the bucketful. Three cheers for Flash.

Kiss of death Killing Time by Sandy Fawkes. Peter Owen. £4.95, 180 pages... Sandy Fawkes was down, frustrated in an abortive attempt to trap former Vice-President Spiro Agnew in 1974 in Washington into giving her an interview. She had been sent on an assignment in Atlanta, part of her super-journa to America paid for by her temporary employer, an American weekly paper. Disenchanted by her American colleagues' lack of maturity in a strange city, she was miserably contemplative, drinking alone in the bar when the killer stroled into her life.

Adventures of Aphra BY RACHEL BILLINGTON

The Passionate Shepherdess: Aphra Behn, 1640-89, by Maureen Duffy. Jonathan Cape, £6.50. 320 pages... Ms. Duffy wants to reinsert the world in Aphra Behn. It would not seem too difficult a task. Aphra Behn (or Ben or Beane) born (probably) in 1640, led a most extraordinary life. In her early twenties she travelled to Surinam in South America where her experiences caused her to write the hair-raising documentary novel Oroonoko whose distinguished African hero is eventually chopped into pieces watched both by himself and an enthusiastic crowd. It makes Roots look like a bed-time story. On that work alone Aphra is qualified both as a first female novelist and first anti-slavery novelist.

her body, at least, made it a little further to lie under a black marble slab in a cloister at Westminster Abbey. All this would seem a biographer's dream. Ms. Duffy, however, has a rather different viewpoint. She is convinced that Aphra Behn's credibility as one of the earliest and best women writers has been overshadowed if not actually cancelled out by the dramatic story of her life. Therefore, far from playing for the reader's attention, Ms. Duffy has determined "to be as unfictional and unemphatic as possible." In this she succeeds. The pages are thick with information, names, dates, places, events—no less real because, despite Ms. Duffy's admirable thoroughness, she must in the end only rely on the most honest of off-putting "I believe," irresistible Willmot or even the descriptions of events during the reign of Charles II in Antwerp which gave her material for another novel but landed her in a debtor's prison from which she begged, Sir... You must send me something to keep me in prison for I will not starve." She was by this time a widow without any resources but her talent and determination. The obvious course was to marry. Instead she decided to write plays. "As she the first feminist Or first romantic" Ms. Duffy finds interesting evidence among her poems written in her late thirties when she had fallen in love with the libertine, John Hoyle, that until then, she had not felt physical passion: "When thou couldst mix ambition with thy joy, Then peevish phantom thou entertainest and coy, Not beauty could I invite thee then Nor all the arts of lavish men;" She was not prepared in the kept by "lavish" men. Therefore she would keep herself. There had been women playwrights before but never like Aphra who wrote as a man did with the Restoration mixture of sex, wit and philosophy. This did not make her popular. Nevertheless she was remarkably successful with such plays as The Rover, The City Heiress, The Lullaby, and Sir Patient Fancy. She was helped by her patronage in court circles and by her friendship with the literary figures of the day, Dryden, Rochester and Otway. Otway wrote a prologue to The City Heiress in which he defended her against her male critics. "Poetess, Afras though she's damned to-day Tomorrow will put up another play; And Otway must be pump to set her off, Lest the enraged bully scowl and scoff." She was also, despite her protests about the lack of education available for women, able to translate 1,500 lines of Cowley's the most unlikely achievement for one often considered a "literary harlot." After adding poetry, essays and letters to her opus, she died at the age of 48 with, as Ms. Duffy says in one of her own judgements "nothing to live for and no prospect of anything to live on." However

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THE JOBS COLUMN

Financial disciplinarian for Ashley • Export strategist etc.

BY MICHAEL DIXON

"NOT AGAIN," I said to myself on seeing that the Laura Ashley group is seeking a financial controller. After all, it is less than four years since this column helped the group to find one.

So I rang up Bernard Ashley, the chairman, and asked what was going on. The answer was that John James, the previous financial controller, has now become joint managing director, and needs a recruit to take responsibility for his former duties, especially the maintenance of financial discipline in the privately owned group's operations in other countries.

These include separate concerns in Holland, Germany, and Belgium, and another covering France, Switzerland and Italy. Each of these four has its own managing director.

But, Mr. Ashley explained, these far-flung MD responsibilities were largely for merchandising and manufacturing. The financial control of the business, which employs 1,500 people world-wide, was exercised from headquarters at the Welsh village of Carno, some 40 miles from Stroudbury.

The base is there because Bernard and Laura Ashley—the design director—and two of their children who are now much involved in the design

and marketing sides of the business, like it there. Their main interest, by the way, lies more in the home furnishing products including wallpapers, than in garments. Furnishings now account for about 48 per cent of turnover.

In France particularly, Mr. Ashley said, women seem to be diverting their budgets away from bodily adornment in favour of doing up their homes. He added that, while the group's business on the Continent was generally satisfactory, it was looking for its 1978 expansion mainly in the U.K., where six new retail shops are planned, and in the U.S.

"We've been in the U.S. market for four years, and in the first three we lost money. But we're now in profit there and feel that, by comparison with the gloom in Europe, there's a good bit of slack in the States. Besides, they're so Anglophile, aren't they?"

He sees one of the main requirements of the financial controller's job as the ability to maintain full understanding in terms of real-value investment of the opportunities and problems of dealing in several different currencies. The group's cash flow involves swillers, Swiss and French francs, and U.S. dollars as well as sterling.

Another requirement is an experience of computerised management information systems which extends to a knowledge of these systems' limitations.

"We want a first class professional accountant, but that's not enough. So many accountants don't seem to be able to know all the essential things that are going on behind the figures in the computer print-out. Here it's vital that we have one who can."

The newcomer will have about 20 staff, a fair proportion of them graduates. "So, although a force ten public-school accent isn't necessary, whoever we take on will have to be well educated." And as well as being familiar with the strategic aspects of business financing and dealing with international bankers, candidates should be married.

There will be a good deal of travel from the Carno base to Europe and, it is hoped, the U.S. But Mr. Ashley considers that there will be no real need for proficiency in foreign languages. He thinks the most likely background for candidates is financial management in a very big, wise multinational concern. "Giants have lots of people to do the job we want doing, but we can only afford one—so we'd like some-

body who feels in need of the challenge."

The age indication is 30 to 40, and the salary about £9,000 (though I cannot see that as an absolute ceiling). Perks include a car, but no bonuses. Application forms from Miss M. J. Hill of the ICFC-NUMAS management consultancy (5, Victoria Street, Windsor SL4 1EZ—telephone Windsor 56633).

the recruit will be a member of the senior management group consisting of about 15 people variously responsible for trade training of marketing staff. A master of business administration degree would be an advantage.

The specialist abilities, however, must be combined with an ability to communicate with non-experts.

The age and salary indications are respectively 30 to 50, and around £7,500. Applications giving career details to David Kirk, the TI Export company secretary—who is abroad at the moment—at TI House, Five Ways, Birmingham B16 8SQ.

Beyond that, Mr. Rodger sees a need to develop the strategic planning side of export marketing, forming contingency plans to cover possible changes in the patterns and conditions of trade, and increasing TI Export's sensitivity to new opportunities and problems likely to arise for the steel tube division's products in overseas countries.

The MD thinks that, ideally, candidates should have some broad technical training, perhaps in engineering or metallurgy, and a background which has demonstrably developed the analytical skills required in industrial marketing. Some experience of international business dealings is also wanted, as

is acquaintance with forecasting, planning and budgeting, plus sales promotion and the and foundation grants, but demonstrable ability to manage some from sales of catalogues and books.

The exhibitions which the gallery puts together from outside sources, having no collection of its own, draw an average of around 600 people on a weekday and usually between 1,300 and 1,500 on Sundays. So when a show is on, Sunday will normally be part of the administrator's five-day week.

By way of salary, Mr. Serota can only go up to this column's normal £4,000 floor price but I am told, is closely associated to anyone willing or able to work for this sum the gallery strikes me as offering a satisfying and demanding job.

Responsible to the director, the newcomer will look after the day-to-day running of the building (next to Aldgate East tube station), its staff, and its finances. The new appointment will bring the number of regular full- and part-time staff to nine, five years' experience in busy though an exhibitions organiser is likely to be added to the team next April. Another development expected shortly is the taking over of extra premises for a bookshop, and for educational and community use.

No age range is specified, and Mr. Jackson at 148-150 Grosvenor Road, London SW1V 3JZ the only qualifications for can-

didates are experience in the Arts Council, local authority, and foundation grants, but demonstrable ability to manage some from sales of catalogues and books.

Application forms can be obtained from Nicholas Serota at the gallery in Whitechapel High Street, London E1 7QX—its own, draw an average of around 600 people on a weekday and usually between 1,300 and 1,500 on Sundays. So when a show is on, Sunday will normally be part of the administrator's five-day week.

By way of salary, Mr. Serota can only go up to this column's normal £4,000 floor price but I am told, is closely associated to anyone willing or able to work for this sum the gallery strikes me as offering a satisfying and demanding job.

Responsible to the director, the newcomer will look after the day-to-day running of the building (next to Aldgate East tube station), its staff, and its finances. The new appointment will bring the number of regular full- and part-time staff to nine, five years' experience in busy though an exhibitions organiser is likely to be added to the team next April. Another development expected shortly is the taking over of extra premises for a bookshop, and for educational and community use.

No age range is specified, and Mr. Jackson at 148-150 Grosvenor Road, London SW1V 3JZ the only qualifications for can-

didates are experience in the Arts Council, local authority, and foundation grants, but demonstrable ability to manage some from sales of catalogues and books.

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Much travel

NOW TO a job based in Birmingham also with much travel abroad, though in this case fluency in at least one other European language is considered necessary. The post is head of export marketing with TI Export which provides supporting services for almost all the overseas sales of the 25 companies in the Tube Investments steel tube division.

The export company concerned with dealings currently totalling more than £40m a year, employs just under 300 people in the U.K. and abroad. Of these about ten will be in the newcomer's domain which, according to the company's managing director Tony Rodger, constitutes "a quite large department by industrial marketing standards."

Responsible to Mr. Rodger,

Art manager

"PUT a skeleton driving and a few bats flying about," states an exhibit in the current show at the Whitechapel Art Gallery. The exhibition is devoted to the fairground and includes numerous fascinations such as elderly slot machines and those brush side-show decorations from Ghost Trains and suchlike, which are coloured like metallic fruits.

I was there to inquire about a job for an administrator being offered by Nicholas Serota, director of the gallery, which is a 78-year-old charitable trust with a total income this year

Consulting

THREE or four new consultants are wanted by Productivity and Management Services, which is a subsidiary of the MLH consultancy group which in turn, I am told, is closely associated with the Midland Bank.

The fields in which PMS principal consultant Andrew Jackson wants the extra help are industrial engineering, management development and the day-to-day running of the trial and human relations. The staff and its preferred age range is 35 to 45. The new appointment will bring the number of regular full- and part-time staff to nine, five years' experience in busy though an exhibitions organiser is likely to be added to the team next April. Another development expected shortly is the taking over of extra premises for a bookshop, and for educational and community use.

No age range is specified, and Mr. Jackson at 148-150 Grosvenor Road, London SW1V 3JZ the only qualifications for can-

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General Manager

Nigeria c. £20,000 p.a.

Our Client, a British Company well known in the Telecommunications field, is currently undertaking large scale contracts overseas and requires a General Manager for Nigeria. Operations in Nigeria presently consist of two established Project Organisations but the intention is that these shall form the base for a new Nigerian Company with headquarters in Lagos.

The General Manager will establish sound contacts at high levels in the Nigerian Government and also with heads of other agencies and business organisations. He will play a major role in the formation of the new company and will be required initially to take control of negotiations with the Nigerian Enterprise Board. Thereafter he will be responsible for securing an increasing share of communications contracts that this rapidly expanding economy requires.

Applications are invited from men who have had high level and successful commercial experience in one or more developing countries, have broad experience of contracting and have competence in administration and organisation. A University Degree is required, preferably in Engineering.

Upper age limit approximately 50. This important post commands a negotiable package circa £20,000 p.a. plus pension, plus a furnished air-conditioned house to match the status of this post—servants, car and driver, home leave for himself and his family, all provided.

Please write giving full relevant personal and experience details quoting reference GM/3913/FT on both envelope and letter. No information will be disclosed to our Client without your permission.

Urwick, Orr & Partners Limited Baylis House, Stoke Poges Lane Slough SL1 3PF

Financial Analysts

Up to £6,000

Rank Xerox, one of Britain's leading companies in the field of communications and information handling systems, have recently set up their Engineering Group Headquarters in Milton Keynes.

Here in one of Britain's newest cities the Company has created a modern facility where technological development is the key. To support this important function we have a compact highly skilled team of accountants, planners and analysts all of whom are working towards the common end.

Due to internal promotion we now need Financial Analysts to analyse and interpret financial performance related data and develop control plans for management action. They will form part of a small team reporting through to the Group Director with an important role to play in assisting the decision making process. Cost and performance control are key elements in our total operation so that total involvement is assured.

The job should appeal to men or women wishing to extend their experience and who may already be part qualified or have a degree in a numerate subject.

For action please contact Jim Rockall, Personnel on Milton Keynes 316611 for an application form and information package, or write to him at Rank Xerox Engineering Group, Linford Wood, Milton Keynes MK14 6LA.

In the evenings and at weekends an answering service is available on Milton Keynes 312870.

RANK XEROX
ENGINEERING GROUP

Investment Analyst

Abbey Life is seeking additional experienced staff to complement their Equity Investment Management Team.

The Company needs people of graduate and/or professional status to join the team managing increased U.K. and international Equity Portfolios. Applicants should have two or more years institutional portfolio experience or the equivalent.

There are good opportunities for analytical research, the formulation of recommendations and subsequent implementation as part of a structured team where both ideas and contribution to management are positively encouraged. Readiness to accept increasing responsibility is important.

The Company offers the prospect of a progressive career with an immediate competitive salary, in accord with experience, and generous staff benefits.

Please write, in strictest confidence, to Peter Challens, Portfolio Manager, Abbey Life Assurance Company Limited, 1-3 St. Paul's Churchyard, London EC4P 4DX.

RESEARCH/INSTITUTIONAL SALES BIRMINGHAM

Well-established Birmingham stockbrokers wish to recruit a Research Analyst/Institutional Sales Executive aged 25/35.

The successful applicant should have an ability to communicate, visit companies and write reports. Previous experience desirable.

Please write giving details of your career to date, which will be treated in confidence, to—

Box No. FT/500 c/o Hanway House, Clark's Place, London EC2N 4BJ.

General Manager — Contracts

Germany £10,000

For the European operations of a subsidiary of a major group, specialists in maintaining and landscaping government sites and highways.

Reporting to the UK board, the person appointed will ensure the profitable operation of contracts in West Germany and Berlin, and will also be required to organise the expansion of operations, in Germany initially and to neighbouring countries at a later date.

Candidates must have gained general management experience in contracting and speak German. Fringe benefits include car and help with accommodation.

Telephone David Garton, PER, Cambridge (0223) 87282 (24-hour Ansafone service)

Chief Accountant

W. London £8,500

The subsidiary of a rapidly expanding company employing 700 personnel requires a Chief Accountant responsible for the company's fully computerised accounting system.

Reporting to the Managing Director, duties include the preparation and consolidation of accounts for the ten companies within the group; conducting financial investigations; solving taxation problems; planning external or internal audit programmes, in addition to undertaking some of the functions of Company Secretary.

You should be fully qualified, preferably ACA with a minimum of five years' post-qualification experience. Comprehensive knowledge of industrial taxation planning, particularly in respect of associated and subsidiary companies, is considered essential.

Telephone Adrienne Luckie, PER, London (01) 235 7030 ext. 237

Chief Accountant

Suffolk c. £6,500

Required to join a young management team in a manufacturing company who have over the last three years achieved an eightfold increase in their turnover.

The company is currently integrating its financial and costing procedures and the applicant will be involved in further system development.

Duties include the preparation of final, period, trading and profit and loss accounts, consolidation, credit, asset and cash control and salary administration. Overall responsibility for standard costing system is also included.

The successful candidate must be qualified and have broad financial and management industrial experience.

Telephone Anna Kilmarin, PER, Chelmsford (0245) 60224

Accountants

Surrey c. £6,000

Our client is the European organisation of an international manufacturing group. They require a financial and a management accountant to fill two senior posts.

The Accountant (marketing) will be responsible for financial information on marketing matters; visiting sales offices at home and abroad to advise on accounting administration and systems; analysing results and advising management on profitability.

The Special Projects Accountant will prepare reports and undertake non-routine investigations including appraisal of capital projects, administration of group budgets, and Price Commission returns.

The successful applicants for both posts will be qualified accountants with commercial or industrial experience. The ability to work on own initiative is essential. Age 35-35.

Telephone Chris Hill, PER, London (01) 235 7030 ext. 25



Deputy Company Secretary

c.£7,500 Plus Car

Our client, Istock Building Products Limited, the major subsidiary of Istock Johnson Limited, has an exceptional record of success within the brick and building products industry.

Due to this continued growth, and further development of the company there is now a requirement for a Deputy Company Secretary who will be based at their Head Offices in Leicestershire.

Candidates, male or female, must have a legal background with preferably a law degree and membership of the Chartered Institute of Secretaries, and since an appointment as Company Secretary is likely to be made within about a year, substantial experience of an active corporate secretariat is essential. The preferred age range is 30-40.

The rewards are excellent and will include a salary negotiable around £7,500 p.a. plus company car, pension scheme and BUPA. Relocation costs will also be met where appropriate.

Please write in confidence to John Anderson as Advisor to the company at:

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ

Qualified Accountants £6-7,000

The Company is looking for two qualified accountants to join our management accounting team.

We need people with relevant experience who are fully qualified and seeking a challenging career in an expanding international business. The jobs have not been specifically defined—we believe we can fit jobs around the right people providing they demonstrate the ability to contribute to a range of demanding work.

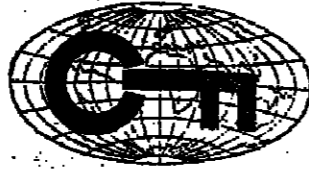
Briefly, the work will involve the preparation of long range plans, budgeting, the development and management of systems of integrated nominal ledger and standard costing. We have another post which is primarily concerned with the operations of foreign subsidiaries, the salary for this job is about £5,000.

For details of the Company and other information, ring Mrs. C. Mansfield on 02404-4621 (reverse charges) or write to this address below.

The Radiochemical Centre



Handwritten signature or mark at the bottom of the page.



Experienced Foreign Exchange Brokers

Charles Fulton and Company Limited, one of the largest authorised firms of international money market brokers, now have a few vacancies for experienced Foreign Exchange Brokers, especially in the following currencies: Yen, D, Marks and Guilders.

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Write with details or phone:

David Porter for Foreign Exchange or
High Davies for Sterling Inter-Bank

Charles Fulton & Company Limited

24-40 Indgate Hill, London EC4M 7JT
01-248 3242

Investment Services

The Scottish Amicable Life Assurance Society is seeking a person of investment management calibre for a challenging situation within their investment division. The role is a new one, and will involve the successful candidate in top level discussion with U.K. companies, pensions consultants and actuaries in a sales, service and investment environment.

Applicants will require to have a minimum of four years' practical experience of U.K. security markets ideally obtained by handling the institutional clients of stockbrokers in a financial institution or by reporting on behalf of investment managers on the portfolio performance of pension funds. Although no professional or academic qualification is necessary, the successful candidate will have a broad knowledge and understanding of economics, and will be articulate and numerate.

The situation is Glasgow-based and a willingness to travel is essential. The salary will be based on performance but will be underpinned by a minimum initial guarantee of £9,000 per annum. Also included in the package are generous mortgage facilities, a car, pension scheme etc.

For an application form please contact:

The Staff Manager
Scottish Amicable Life Assurance Society
150 St Vincent Street
Glasgow
G2 5NQ



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EXPORT FINANCE

Our client, an international bank, seeks a very experienced Export Finance Manager to spearhead its European operations. The successful candidate will be expected to become involved in other types of lending. Travel within Europe will be a normal feature of the position and therefore a working knowledge of at least one continental language will be necessary. The successful candidate will probably be holding a senior management position already and the very attractive salary package offered will reflect the high level of responsibility attached to the position.

Contact: David Grove

MIDDLE EAST: DOCUMENTARY CREDITS Tax-free salary
A vacancy exists for an experienced documentary credits official to manage the documentary credits department of an international bank. The position is based at the bank's Head Office in Riyadh, Saudi Arabia. Experience in opening/paying and back-to-back credits is essential. Knowledge of French an added advantage. Substantial tax-free salary will be paid and usual fringe benefits.

Contact: Norma Given

CHIEF ACCOUNTANT/COMPANY SECRETARY c. £7,500
An international investment bank wishes to fill the post of Chief Accountant/Company Secretary at its recently established London office. Candidates for this post will ideally be in the age range 23-28, with a good educational background ('A' levels), a professional accounting qualification, and one or two years' post-qualifying experience within a financial institution.

Contact: Sophie Clegg

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

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Please telephone John McGregor, Gilts Director, on 01-588 7944 or write in confidence c/o Capel-Cure Myers Limited, Bath House, Holborn Viaduct, London, EC1A 2EU.

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Accountants aged between 30 and 40 required to help run group private companies with view to becoming Company Secretary due course. The applicant need not be qualified but should have good knowledge of general accountancy, company law, taxation and should also be conversant with all aspects of office management. Assistance with housing can be given if required. Opportunity to join Pension Scheme after initial period. Salary commensurate with experience.

Apply in writing to:

Box A6171, Financial Times
10 Cannon Street, EC4P 4BY

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has a vacancy in its Investment Trusts department for person with institutional experience— not necessarily in the Investment Trusts market. There are excellent prospects for the right person and salary will be by negotiation.

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Financial Times
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One of these 2 openings demands 2-3 years experience; the other is for a bright young trainee. Both offer a lot of scope for personal development.

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LONDON W.1. c. £7,000

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ECONOMIST

To join the Corporate Planning Department, the duties of this post include monitoring and forecasting the business environment and assessing its impact on the Corporation's activities and plans; participation in developing the Department's planning techniques and analysis; and the provision of advice on economic matters.

Applicants should have a good honours degree in Economics or a related discipline together with a sound knowledge of statistical techniques. Experience of the application of computer techniques to business problems would be a distinct advantage.

FINANCIAL ANALYST

This post is in the Finance Department and the successful candidate will deal with a wide range of financial matters, including preparing reports for top management on company results, assessing company budgets and capital projects, operating a computerised cash flow control and forecasting system, and analysing varied financial topics covering the organisation as a whole.

Applicants must be fully qualified Accountants or have a university degree (or equivalent qualification) with a strong financial content.

Both positions are likely to appeal to persons in their late 20's with post-qualification experience in a business environment. Please telephone or write for application form and further particulars to:

Mr. R. A. Dyson,
NATIONAL FREIGHT CORPORATION,
215 Great Portland Street,
London W1N 4BD.
Telephone: (01) 436 8668, Ext. 244

Accountant/Secretary (Designate)

Hertfordshire c.£6,500

The ITB 1975 Pension Funds, based in Watford, is responsible for the operation of the Pension Funds covering employees of 21 participating Industrial Training Boards. The Funds current value is £20m, membership numbering 4,200.

The successful candidate will be responsible for financial planning and control, benefits administration, management of the office including staff development, preparation of special reports, and the secretarial duties associated with trustee and committee meetings.

Our Client requires a chartered accountant, aged 35-45, with a minimum of three years' experience in a line management position. A working knowledge of pensions administration and computerised systems would be advantageous.

It is envisaged that the appointed candidate would assume sole responsibility for this function in the short term. Please contact: Dick Vernon, Luton (0583) 417562. PER, 36 Park Street, Luton, Bedfordshire.



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£6,500 - £10,000 + Benefits

We urgently require applicants for a variety of roles with Merchant, International and Consortium Banks. The vacancies include specific positions in lending, corporate finance, planning, credit analysis and internal consultancy. Malcolm Hudson & Partners Ltd., 29/31 Mitre Street, E.C.2, 01-283 1954

ABU DHABI INVESTMENT AUTHORITY

INVESTMENT MANAGERS

The Abu Dhabi Investment Authority requires two experienced Investment Managers to assist in its Bond and Equity Department. Candidates should be over 30 years old and should have obtained a professional qualification. They must have had at least 5 years practical experience in analysing securities and experience in managing a Bond or Equity investment portfolio, preferably both, and on an international basis. Candidates must be prepared to live in Abu Dhabi. The contract will be for a minimum of 2 years, renewable thereafter. Salary is negotiable and free of tax in Abu Dhabi. Free accommodation, transport and medical facilities will be provided. Ref. 893/FT.

CASH MANAGER

The Bond and Equity Department also requires an experienced individual to be responsible for managing deposits and short-term investments in a variety of currencies plus certain other duties with the investment portfolio management. Candidates should be over 30 years old and should have obtained a professional qualification. They must have had at least 5 years practical experience in analysing and managing short-dated investments.

Candidates must be prepared to live in Abu Dhabi. The contract will be for a minimum of 2 years, renewable thereafter. Salary is negotiable and free of tax in Abu Dhabi. Free accommodation, transport and medical facilities will be provided. Ref. 894/FT.

INVESTMENT ANALYSTS

They also require experienced investment analysts to assist in the Bond and Equity Department. Candidates should have obtained a professional qualification and must have had at least 3 years practical experience in analysing international fixed interest and equity securities.

Candidates must be prepared to live in Abu Dhabi. The contract will be for a minimum of 2 years, renewable thereafter. Salary is negotiable and free of tax in Abu Dhabi. Free accommodation, transport allowance and medical facilities will be provided. Ref. 895/FT.

Please write or telephone for an application form, quoting the particular reference number to:

W. L. Tait,
Touche Ross & Co., Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644.

Financial Controller

North West, c.£10,000 + car

This important new appointment is within a manufacturing division of a major public group and carries with it a seat on the Divisional Board. Applicants, probably under 35 must be graduate accountants who are able to offer a background of sound industrial experience and a practical approach to financial

management. Qualities of persuasiveness, diplomacy and firmness are essential as the position carries responsibility for all factory accounting throughout a division comprising numerous units. Conditions of service and career opportunities are excellent. Relocation assistance is available.

R. D. Hawgate, Ref. 27054/FT

Male or female candidates should telephone in confidence for a Personal History Form to: MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB.



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Planning Research + Systems Limited

Planning Research + Systems Limited (PRS) is Britain's leading research based business consultancy, providing services to Governments and leading companies throughout the world. PRS has established a leading international consultancy market position in advice on obtaining new earnings, and industrial and automotive engines and their components. To maintain its rapid growth PRS needs to fill the following positions:

Manager, Industrial and Automotive Engines Research and Consultancy
The person appointed is required to manage this important profit centre. A good honours engineering graduate is required, preferably with an MBA and aged 25 to 30. Relevant industrial experience is essential. Consultancy experience is useful but not essential. Fluency in French and German is highly desirable. Salary with other benefits is substantial and negotiable.

Project Manager, Business Research Division
An experienced business analyst or consultant is required to project manage demanding business studies. The person appointed will be a good honours graduate with not less than five years' relevant experience, fluent in French and/or German. Salary range £5,500 to £6,500 with other benefits.

Economist
A subsidiary company, Economic Associates—a leading firm of U.K. economic consultants—requires a Development Economist. The person appointed will be a good honours graduate with not less than five years' relevant experience, particularly of water and waste disposal, urban and rural development and transport and communications. The work will involve overseas assignments, usually as a member of multi-disciplinary teams. Fluency in French and/or Spanish is desirable. Salary will be not less than £8,000, with overseas allowances and other benefits, and is negotiable.

Detailed written applications should be sent in writing to:
John Martin, Chairman
Planning Research + Systems Limited
33 Cork Street
London W1X 1HB.

INTERNATIONAL BANKING

Chartered Accountant

A major American Bank, with growing international interests, is seeking a chartered accountant to join its London based internal auditing team for audit work at senior level.

Applications are invited from candidates aged 25-32 who must be willing to undertake up to 25% international travel.

An excellent salary will be offered to the successful applicant, with attractive and generous fringe benefits generally associated with a first-class bank.

Candidates, male or female, should send full details of their age, education, experience and current salary to Box No. RD. 4323, c/o Exel Advertising & PR Limited, Pemberton House, East Harding Street, London E.C.4. The names of any banks to whom you do not wish your application forwarded should be printed clearly on the back of the envelope.

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Are you interested in working in Athens, Greece, for a multinational consulting firm and travelling to various parts of the Middle East?

If you are in the age group 25 to 35 and have 4 to 5 years of experience in salary administration and job evaluation please apply to:

Job Analyst
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P.O. Box 14 Psychico
Athens, Greece.

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c.£6000

We are one of the top companies in the U.K. computer services business—and also part of an international network.

Our major clients include leading clearing, foreign and merchant banks and other financial institutions in the City of London who use us for a variety of computer applications including on-line foreign exchange systems, credit evaluation and financial management systems.

Expansion of these services into new areas within banking creates an exceptional opportunity in our customer support team for a young, ambitious banking executive. This position involves working closely with our clients, advising them how they can make best use of our services, after-sale, training and supervising of the installation. It offers a stimulating change from a mundane desk job to a more active and rewarding career.

If you are the right person, we will train you extensively both in-house and in the field so that you quickly become effective in our banking team and learn how our customers

benefit from our services. We would like you to be aged 23-27, ideally with a degree, and have 3 years experience preferably within a foreign or merchant banking environment. We are particularly looking for experience of Foreign Exchange Operations, Credit Evaluation and Accounting. Some involvement with on-line computer systems would be useful. But equally important is a keen desire to change your career course and the confidence and potential to succeed in a professional marketing environment. We value your banking knowledge and will pay you a total income with commission around £6000. Our attractive benefits include Company car after the initial period of training, expenses, BUPA, pension, life assurance scheme, etc. We are a young organisation—individually and as a Company. If you are seeking a dynamic activity where personal effort is encouraged and rewarded please write to Nicholas Birles on 01-222 5665 or write to him at—

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Company Secretary

£10,000 + car

A major British company with diverse interests in the distributive, retail and other service industries in the UK and abroad, is seeking candidates for a new appointment as Company Secretary of one of its business groups.

The position calls for a Company Secretary who will participate as an integrated member of management in the business decision making process and, as such, requires a person who not only has ability and confidence in his own specialised area but is also capable of understanding the businesses in which he is operating. He or she will be responsible to the chief executive of the business group for the provision to management of legal advice on contractual, legislative and formal matters as well as on commercial matters generally, in addition to fulfilling the statutory responsibilities of a Company Secretary. Applicants, probably graduates, will be in their early 30's, will have a professional qualification, preferably legal, and will have

at least 7 years experience in a commercial or industrial environment. They should be looking for a job which will carry considerable responsibility as an accepted member of a management team and they should therefore be sufficiently self-motivated to ensure that this aspiration is achieved.

The position will be located in the home counties to the north-west of London but within easy reach of London and will involve considerable travel within the UK. Salary will be negotiable around £10,000 p.a. and benefits include a non-contributory pension, company car and free health insurance. Ref. W4859/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

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Wellcome Senior Management Accountant

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The Wellcome Foundation Limited is a major British-owned international pharmaceutical organisation with an outstanding Sales and Profit growth record.

We seek an experienced Management Accountant to control the Finance Department of our major U.K. Research and Development site at Beckenham, Kent; and to be responsible for providing a comprehensive service for budgets, forecasts and management accounting information to senior staff in the Group's Research and Development Directorate.

The successful candidate will manage an accounting team of about twenty persons and will be expected to make a significant contribution to the development of the company's financial and management accounting procedures, particularly in the area of modern methods of data processing and reporting.

Candidates should be qualified Accountants, ACA, ACMA or ACCA with sound operating experience, preferably but not necessarily in an R & D environment. Managerial and innovative skills as well as the ability to motivate and implement changes are essential.

Career prospects in financial or general management are excellent and group wide. The salary is negotiable c. £8,500 plus car. Other conditions of employment will include contributory pension, excellent sports, social and dining facilities. Generous assistance will be given with any relocation expenses.

Please apply, giving details of age, qualifications and experience, to the Personnel Manager, The Wellcome Research Laboratories, Langley Court, Beckenham, Kent BR3 3BS.

PA to Financial Director

Surrey

c.£6,500

Following an internal promotion, our client, a well known publishing group, seeks a young Personal Assistant to the Financial Director.

Candidates with a legal, company secretarial or accounting background must possess the strength of character to work closely with managing directors and senior executives throughout the group.

Your tasks, which will be varied and interesting, will involve acquisitions and disposals and assistance with general financial problems. Hence a good knowledge of commercial law is essential.

Prospects for career progression are outstanding and this is an excellent opportunity to gain experience and exposure in a successful forward looking group.

Contact David K. L. Tod, BSc, ACA on 01-405 3499 quoting reference DT/236/PAP.

Lloyd Management

125 High Holborn London WC1V 6QA

Meat Marketing—Middle East.

New Zealand Organisation.

SUBSTANTIAL SALARY;
VEHICLE AND LOCATION ALLOWANCES

The New Zealand Meat Producers Board, which has an office in Tehran has decided to increase its representation in the Middle East by the appointment of a Marketing Executive in the Gulf area.

After an initial assessment of the market needs, he will advise the Board on how best to service the Arab speaking states. He will be responsible, through the General Manager, for developing an effective liaison with the Administrations and Traders, both existing and potential. The function will be accomplished either by the setting-up of a new office in one of the countries or by regular visits from Wellington headquarters.

The importance of representation of the Board's interests in this vital and expanding market requires that we locate and engage a man with a previous record of achievement in marketing at this level, preferably with experience in the meat industry, and ideally with some knowledge of the Middle East. These factors rather than age will be the main selection criteria.

The salary will be appropriate to the senior status of the Board's overseas representatives, and benefits and location allowances will be established for the country of domicile.

Initial enquiries and written applications which will be treated in strict confidence may be made by airmail or cable to Roy Lynch of—

Sheffield Associates Limited,
Management Consultants,
P.O. Box 27-078, Wellington, New Zealand.
Cables 'Mang Wellington'.

INTERNATIONAL SUGAR ORGANIZATION STOCK FINANCING FUND

Appointment of Manager

The Council of the Organization under the 1977 International Sugar Agreement due to enter into force on 1st January 1978 will require a Manager to be responsible for the administration and operation of the Stock Financing Fund. This will be a new post in the Organization.

The Manager will operate within the provisions of Chapter XII of the 1977 International Sugar Agreement and in conformity with such rules of procedure as may be adopted by the Council. The Manager will need to possess proven skills in banking or finance as well as in administration. Fluency in spoken and written English is required. A knowledge of any of the other working languages of the Organization (French, Russian and Spanish) would be an advantage.

The grade of the post will be equivalent to that of D-1 or D-2 (according to experience) on the United Nations scale. The appointment will be made by the Council in May and the Manager will be required to take up duties at the headquarters of the International Sugar Organization in London as soon as possible after that date.

Applications with full details of career and the names of two persons to whom reference may be made should be addressed to the Executive Director, International Sugar Organization, 28 Haymarket, London, S.W.1, so as to reach him not later than 23 January 1978.

Further particulars of the duties and the conditions of appointment are obtainable on application in writing to the Executive Director.

Financial Management

The advertiser is an international one operating its own plant on two sites in the U.K. and with a Headquarters unit in South London.

As a consequence of recent promotion to the European Regional office, the need has arisen to recruit a young qualified or near qualified accountant, who can be introduced into the Company as part of the management development programme. The successful candidate will report to the Chief Accountant and will be assigned investigatory and consultancy duties to familiarise him/her with Company activities.

Salary is negotiable, but is unlikely to be less than £6,000.

Those interested should write to the

Group Personnel Manager
Box A.6169, Financial Times
10, Cannon Street, EC4P 4BY

MAJOR INTERNATIONAL BANK WISHES TO APPOINT A SENIOR TRUST EXECUTIVE IN GUERNSEY

Candidates for this appointment, which is permanent, should have a professional qualification, preferably AIB (Trustee Diploma) and practical experience in Trust work at senior trust officer level. Experience in international offshore trust work an advantage.

Preferred age 35-45. An attractive remuneration package commensurate with age and experience is offered. Please send full career details to:

Box A.6162, Financial Times
10, Cannon Street, EC4P 4BY

RETAILING FOOD MANUFACTURING ENGINEERING

FINANCIAL CONTROLLER

£10,000 neg.

THE GROUP

1. Retail Hot Bread Kitchens currently operating throughout the U.K. and shortly commencing in the U.S.A.
2. Biscuit manufacturing and retailing
3. International distribution of food processing plant and machinery
4. Manufacturing food processing plant and machinery in the Republic of Ireland
5. The Company is expanding rapidly with sales approaching £10,000,000. Growth since establishment in 1973 has exceeded 100% per year. It is very aggressive in the market place and requires management with capacity to absorb growth

THE JOB

This is a new appointment and the key areas of responsibility will include the following:

Financial control involving short, medium and long-term budgeting, plus preparation of cash flows

Top-level contract negotiations and liaison with legal and financial advisers

The ensuring of adequate funding to cover the expansion of Group activities at home and overseas

The provision of accurate management information within an agreed time-scale

Applicants should be 35 or over, professionally qualified, self-motivated, decision-makers with experience in high-level negotiations, willing to travel overseas at short notice when necessary. The person appointed will report direct to the Board.

The Group Headquarters is in St. Albans, Hertfordshire, and re-location expenses will be met as necessary. A Company car will be provided, together with the usual fringe benefits.

THIS IS A SENIOR APPOINTMENT—IF YOU ARE EARNING LESS THAN £8,500 PA DON'T APPLY.

Applications, in strictest confidence, should be sent to:
The Chairman, Mr. Don Miller, Don Miller's Hot Bread Kitchens,
71 St. Peter's Street, St. Albans, Hertfordshire.
Telephone: St. Albans 69201.

MARKETING FINANCE MANAGER

Salary negotiable

This position is being newly established to ensure the company takes full advantage of market opportunities in all cases where financing arrangements can be beneficial.

The successful applicant, male or female, will be expected to improve and maintain in-house procedures affecting such financing arrangements and provide counsel and support to marketing personnel where appropriate. This latter aspect will demand, on occasion, market visits both nationally and abroad.

External links with banks, export finance houses, credit insurance brokers and E.C.G.D. must be strengthened and maintained.

Duties will include the review of financial terms and conditions associated with tendered contracts including indemnities, bonds and guarantees.

Applicants should ideally have had experience of export finance in a marketing environment of this type. Serious consideration will be given, however, to persons having a deep interest in fulfilling the tasks outlined, provided overall ability and background are deemed satisfactory.

A recognized qualification in finance, commerce or business management is desirable but not essential.

Conditions of employment include four weeks' annual holiday, contributory pension and life insurance scheme and assistance towards relocation expenses where appropriate.

Please write or telephone for an application form to the U.K. Personnel Managers.

Stone-Platt Pumps Ltd.

P.O. Box 2, Luton, Beds. Tel. Luton 31144 Ext. 95

Financial Director Commercial Vehicle Distribution

* The Scotts of Nottingham group is fast-growing and profitable (turnover in excess of £11 millions) with companies having Seddon-Atkinson, ERF and Mercedes-Benz franchises.

* You will be fully responsible for accounting and financial management across all ten locations, each with its own sales, repair and parts supply operation.

* You will be a qualified accountant with a record of success in a similar director or controller role.

* Salary, plus car and other benefits will match the responsibility. Location is Nottingham.

Send brief but comprehensive details of career and salary to date in confidence to:

Peter Manley, Group Financial Director,
National Carbonising Company Limited, Fullarton Lodge,
Crow Hill Drive, MANSFIELD, Notts. NG19 7AZ

CAYMAN ISLANDS

TRUST OFFICER

A leading Trust Company has an opening for a Trust Officer at its offices in George Town, Cayman Islands. Candidates must have at least ten years trustee experience and preferably hold a Trustee Diploma. Commencing salary will be in excess of £9,000, tax free, with other benefits including Medical Scheme, Pension Plan and Group Life Insurance. Four weeks annual leave with fares paid to the United Kingdom.

Interviews will be arranged in London, Edinburgh and Belfast but in the first instance applicants should write by air mail giving full details of experience and qualifications to:

THE MANAGER
THE BANK OF NOVA SCOTIA TRUST
COMPANY (CAYMAN) LIMITED
P.O. BOX 501, GRAND CAYMAN, B.W.I.

London STOCKBROKERS

require
for general office

ASSISTANT MANAGER

Write with full details, salary, etc., to Box A.6172,
Financial Times, 10, Cannon Street, EC4P 4BY.

BANK RECONCILIATIONS

with supervisory experience
Salary £4,500-£5,000

Quill's Employment Agency Ltd.
5 Broad Street Place, E.C.4
Mrs. Hicks 638 0826
Mrs. Howell

APPOINTMENTS WANTED

Mature, Successful
PUBLIC RELATIONS DIRECTOR

Currently with medium-sized agency would appreciate right opportunity leaving agency work to join another organisation. Prepared to take on professional, substantial for or side agency or originate first-hand public relations department. Well known in profession with well established working contacts in all areas. Write Box A.6167, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED

Successful and experienced trader under 35 years of age requires challenging and high remunerative position with progressive and established firm. Write Box A.6179, Financial Times, 10 Cannon Street, EC4P 4BY.

Job in title

NATIONAL ELECTRIC POWER AUTHORITY

VACANCIES

The National Electric Power Authority, a Nigerian Public Utility, responsible for generation, transmission and distribution of electricity to all parts of the country requires protection, control and metering instructors for its Training Centre at Kainji in Nigeria.

Applicant should possess a good University degree in Electrical/Electronic Engineering or an equivalent professional qualification, and must have registered or be registrable with a recognised Professional Engineering Association such as the Council of Registered Engineers of Nigeria (COREN). In addition, he must have acquired a minimum of three years' post-qualification experience in the Protection, Control and Metering Field in a power utility, a major manufacturing company or similar concern.

Applicants holding the Higher Diploma/Certificate in Electrical/Electronic Engineering with a minimum of five years' post-qualification experience in protection, control and metering will also be considered. Those with lesser experience may be considered for appointment as Assistant Instructors.

The successful applicants will be responsible for developing courses, writing instructions on new and existing equipment, and actually instructing both in the classroom and laboratory. They will also be expected to work in the field with support groups from time to time.

Attractive salaries commensurate with qualifications and experience as well as generous fringe benefits will be offered to the right candidates.

Interested person should forward his curriculum vitae (in duplicate) containing his full names, age, marital status, nationality, qualifications indicating dates obtained, specialised training, if any, work experience showing periods, present appointment with date of entry, and other useful pieces of information to the Director of Personnel, National Electric Power Authority Headquarters, 24/25 Marina, Lagos, Nigeria, to reach him not later than Friday, 23rd December, 1977. Copies of relevant certificates must be attached.

J. A. ROWE, Director of Personnel

External Advert No. 24/77 14th November, 1977.

STATE GOLD MINING CORPORATION (HEADQUARTERS-TARKWA, GHANA)

FINANCIAL CONTROLLER

Applications are invited from suitably qualified Ghanaians to fill the post of Financial Controller at the Headquarters of the Corporation at Tarkwa, Ghana.

- (a) QUALIFICATIONS: A.C.A., A.C.M.A. or A.C.M.A. with at least 5 years' post qualification experience in industry. (b) DUTIES: The person appointed will be directly responsible to the Managing Director. His duties will include day-to-day supervision and co-ordination of the work of the Chief Accountant of the various mine units of the Corporation. He will be responsible for financial reports to the Board, control of procedures and regular budget and cash forecasts. (c) SALARY: Negotiable but very attractive. (d) ACCOMMODATION: Free accommodation including land, furniture, electricity, water, refrigerator and cooker. Free medical attention in Corporation hospitals (including specialist and dental treatment). Subsidised canteens. Adequate social and sporting facilities - Club, Cinema, Golf, Swimming, Tennis. (i) Social Security Fund: 5% (Employee); 12% (Employer). (ii) 28 working days leave after every year of 12 months. Application forms and further information may be obtained through: The Overseas Representative, State Gold Mining Corporation (Ghana), Bush House, North-East Wing, Aldwych, London, WC2.

CHIEF ACCOUNTANT

This is an opportunity for someone in their late 20s with Management Accounting background to be responsible for the accounting service within a very fast-moving environment.

The successful candidate will possess the potential to progress within the group. In addition to required commercial acumen and technical skills, knowledge of E.D.P. systems would be an added advantage.

In addition to an attractive commencing salary, we offer four weeks' holiday per annum, company bonus and pension schemes, LVs and staff purchasing facilities.

Applications to: C. J. Ryan, Personnel Manager, Phonogram Limited, 129 Park Street, London W1Y 3FA.



Director of Applied Econometrics Service

The Cambridge Growth Project is expecting to set up a company based in Cambridge serving government and private sector users of the Project's microstructural dynamic model of the U.K. economy. The Project is looking for someone to be the first Director of the company.

Candidates should combine entrepreneurial skills with expertise in economic forecasting and the preparation of reports. The job would call for initiative and responsibility as well as an ability to work with others. Salary: around £8,500 plus performance-related bonuses. Starting date: 1 April 1978 or as soon as possible thereafter. Applications by: 16 January 1978.

For further details please contact: Dr. T. S. Barker, Department of Applied Economics, Sidgwick Avenue, Cambridge CB3 2DE. Tel: 0223-52944.

Investigations Accountant

c. £6500 with Overseas Travel

With the rapid expansion of our business, which involves providing specialised services to the oil, gas and construction industries worldwide, we now wish to appoint an Investigations Accountant at our Hounslow headquarters.

The man or woman appointed will be responsible for a wide range of complex international finance and accounting work including systems development and implementation, budgets and liaison with overseas management which will entail some overseas travel.

The appointment calls for a qualified Accountant, aged 27-32, with the experience and ability to influence rather than direct business strategy.

Initial salary will be around £6,500 per annum with attractive benefits and excellent future career prospects.

Write to M. W. Newby, Personnel and Administrative Manager, Solus Schall, Annabelle House, 28 Staines Road, Hounslow, Middlesex TW3 3JS.



Chief Accountant City £9,000+

A wholly owned subsidiary of the Trustee Savings Banks Central Board, Central Trustee Savings Bank was established in 1973 to provide Clearing, Banking and Investment facilities to the Trustee Savings Banks. A reorganisation of the administration of the Bank, to meet the expected rapid growth of the next five years, has led to this appointment.

The Chief Accountant will be expected to take early responsibility for the entire accounting function. He or she will be responsible for financial and management accounting, taxation and accounting systems and will be assisted in this by a small highly qualified team.

A major review of the Bank's systems will shortly be carried out, making greater use of the existing main frame and mini-computers and the Chief-Accountant will be closely involved in this.

Applicants must be professionally qualified, aged 33-40 and have had previous banking experience with a systems bias. A knowledge of foreign exchange is essential.

A salary of not less than £9,000 is envisaged and benefits include a comprehensive non-contributory pension scheme and a mortgage subsidy scheme.

Will applicants please write giving full details to: D. L. Andrew, Assistant General Manager, Central Trustee Savings Bank Limited, PO Box 99, 3 Gracechurch Street, London EC3P 3BX



Albank Alsaudi Alhollandi affiliated to Algemene Bank Nederland nv has a vacancy for an experienced

CHIEF FOREIGN EXCHANGE DEALER

for their Overseas Operations in Jeddah

Generous remuneration and leave terms. Applications in writing are invited from individuals with at least 4 years experience in a similar capacity.

Curriculum Vitae should be accompanied by a Passport photograph and forwarded to:

P.O. BOX 503, LONDON, EC2P 2HH.

PENSION SCHEMES MANAGER

The Pension Schemes of the Westminster Press group of newspaper and printing businesses are seeking a Manager. Westminster Press has 22 divisions and companies in England and Scotland employing over 7,000 people of whom a total of about 4,000 are members of its three self-administered Pension Schemes. The Funds of the Schemes are invested with the help and control of professional advisers, subject to the decisions of the Trustees. It is intended that the two main schemes be contracted-out of the new State pension scheme next April.

There is a small pensions team in the London offices of Westminster Press Limited for the maintenance of membership records, the calculation and payment of benefits, the collection of contributions, accounting requirements and the preparation of financial and statistical reports for the boards of the Trustee companies.

The Manager will be responsible to the Trustees not only for the proper administration and running of the Schemes and the London pensions office but for informing the members regularly about the conduct, progress and state of the Funds and the Schemes generally. He or she will also be required to advise and assist the general management of Westminster Press on matters of pension policy.

The salary will be attractive and competitive for the person with the experience, ability and personality needed for the post.

Please apply in writing with details of age, education, qualifications and career to date, including current salary, to: C. F. Dawson, Director and Secretary, WESTMINSTER PRESS LIMITED, Newspaper House, 8-16 Great New Street, London, EC4, who will treat all replies in confidence.

Investment Analysts up to £8,000

Analysts are required by established stockbrokers to specialise in insurance, engineering and all. Experience, possibly in the industry itself, is essential.

Institutional Sales c. £10,000 An opportunity for someone with experience or knowledge of this field to further their career and enjoy substantial earnings. There is also a junior appointment for someone bright, with relevant experience, to train on sales.

Corporate Banking up to £6,500 City-based bank wishes to recruit a young graduate, with banking or relevant financial experience, to join corporate lending department. Excellent prospects.

ALL ENQUIRIES ARE TREATED IN THE STRICTEST CONFIDENCE. Telephone or send career details to Stephen Sharpe, J. Fitzmaurice Ltd., 7 Grosvenor Street, E.C.2. Tel: 01-267 1200.



Record revenues and earnings marked both the third quarter and nine-month period, reflecting substantial strength in the major facets of our business. Property and casualty insurance, title insurance, and container leasing

all contributed to the increase in operating income, after taxes, of 48 percent for the third quarter and 276 percent for the nine-month period as compared with last year's figures.

Saul P. Steinberg

Saul P. Steinberg Chairman and President Reliance Group, Incorporated

Reliance Group, Incorporated and Subsidiaries Financial Highlights

Table with 4 columns: Quarter Ended September 30 (1977, 1976), Nine Months Ended September 30 (1977, 1976). Rows include Revenues, Operating income after taxes, Net realized gain on insurance investments after taxes, Income after taxes before extraordinary income, Extraordinary income, and Net income after taxes.

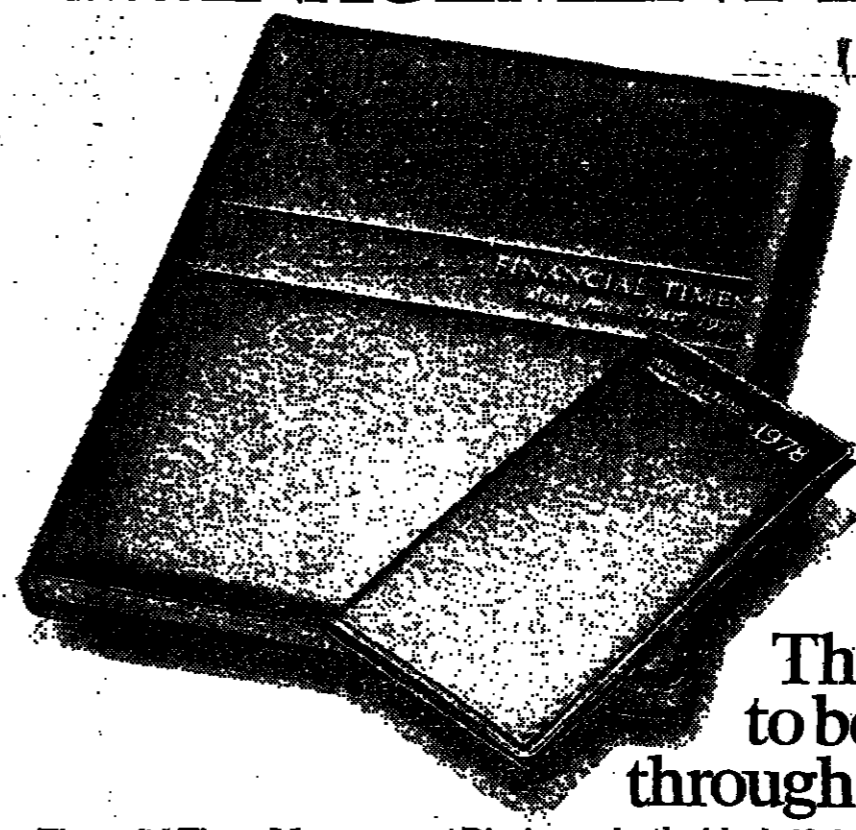
Per-Share Information

Table with 4 columns: 1977, 1976, 1977, 1976. Rows include Operating income after taxes, Net realized gain on insurance investments after taxes, Income after taxes before extraordinary income, Extraordinary income, and Net income after taxes.

(1) Extraordinary income resulted from the utilization of tax loss carryovers.

(2) Per-share computations are after deduction of dividend requirements on the Series C Preferred Stock.

FINANCIAL TIMES MANAGEMENT DIARIES



The best way to be remembered through 1978

Financial Times Management Diaries make the ideal gift for your business associates, anywhere in the world. They set the highest standards in book design, production, information, presentation and craftsmanship.

Desk Diaries: Handsomely bound in luxurious black calf leather at £13.98 each* or elegant black leather cloth at £7.51 each*. FT Desk Diaries contain 92 pages of information, including 48 pages of full-colour maps, and generous space for appointments on each of the week-at-a-glance double-page spreads. Among the useful items of information are metric conversion tables, a 6-page business vocabulary in English, French and German, a comprehensive directory of sources of information in Europe, a calendar which looks forward to the year 2000, charts and graphs for business analysis and world time and temperature zone maps.

Pocket Diaries: Simple, convenient and bound in calf leather with gilt metal corners. The FT Pocket Diary is a perfect planning aid, providing ample space for appointments, addresses and notes. Other features include a year planner, worldwide sources of business information, and details of Inter-City train services and hotels throughout Europe. At £4.16 each* these Pocket Diaries are exceptional value for money.

Gold Blocking: For around a pound you can personalise your gifts with our superb gold blocking service. Completed within a few days, this allows you to have your company logo and an individual's name or initials gold blocked on the diary's cover. It is a first-class *Prices quoted include VAT and are for delivery within the UK and Eire. Overseas prices are quoted on our Order Form.

way of keeping your company's name in front of people all year through. Delivery: We can deliver your diaries to any address in the world, saving you the time and trouble of packing and posting your gifts. Discounts: For orders of 25 or more, we offer generous discounts on both Desk and Pocket Diaries. These begin at 8% for 25 or more and rise to 25% for orders of 500 or more.

Act now to avoid disappointment: Complete and return the coupon below and we will do our best to fulfil your order in time for Christmas. That way, the gift you give will be sure to get the New Year off to a good, and well planned, start.

Form with fields for Name, Position, Company, Address, Telephone, and Date. Includes a note: 'I like the idea of FT Management Diaries as gifts for my business associates. Please send me your order form, without delay.'

Index rallies 2.4 on bargain hunting Dollar firmer

BY OUR WALL STREET CORRESPONDENT

BARGAIN HUNTERS halted the initial slide on Wall Street today, turning stocks upward to leave net gains slightly in the majority after moderate activity. The Dow Jones Industrial Average, down 17 points over the past two trading sessions, ended 2.4 firmer on the day at \$297.00.

tax cuts are expected in 1978, and that some of the more comprehensive aspects of tax reform legislation will be delayed. It also assured the business community that if Federal Reserve Board Chairman Burns is replaced, his replacement would have to have the confidence of the business community.

INTERNATIONAL BUSINESS MACHINES rallied \$1 to \$24.40 on a strong start to 1978, stating that it has no plans to change its pricing structure, despite reports that it would cut prices on medium-sized computers.

GERMANY—Shares put on another mixed performance in dull trading with major investors year-end position closing taking place. Deutsche Bank, on higher terms, operating profits, gained DM2.50, while Bayernrhop, also after improved operating profits, were steady at DM2.99.

SPAIN—Market remained depressed, with the General Index losing 0.88 more to \$4.96. Asland, however, gained 1.30 points to 105.50.

JOHANNESBURG—Gold shares were generally higher, although some issues closed below the day's best levels, an initial rise having been inhibited by the strength of the Securities and Exchange Commission's expansion announcement.

HONG KONG—Generally little altered again after quiet trading, with some late buying interest having offset early weakness.

FOREIGN EXCHANGES: Gold Bullion, in New York, \$1,599.10; Silver Bullion, \$1,599.10; Gold Bars, \$1,599.10; Silver Bars, \$1,599.10.

WEDNESDAY'S ACTIVE STOCKS: IBM, 128.00; AT&T, 128.00; GE, 128.00; etc.

Canada good: Canadian Stock Markets closed in good form yesterday following further active trading.

AMSTERDAM—Easier for choice although the market held up better than expected following the sharp overnight fall on Wall Street.

MILAN—Share prices tended to ease fresh in thin trading, with the Prime Rate cuts making little impact on market sentiment.

TOKYO—Market moved further ahead over a wide front following the late sharp decline and hopes of a fresh refractory package.

STOCKHOLM—Market made an irregular showing. Cellulosa came back to Kr.193.

COPENHAGEN—Firm trend persisted, with Burmeister and Wain improving 5 more to Kr.368.

OTHER MARKETS: Argentina, 102.6-102.8; Brazil, 102.6-102.8; etc.

INDICES: NEW YORK-DOW JONES, 297.00; FTSE 100, 102.60; Nikkei, 105.50; etc.

STANDARD AND POORS: S&P 500, 104.18; Industrial, 104.18; etc.

INDICES: Montreal, 102.60; Toronto, 102.60; etc.

INDICES: Johannesburg, 102.60; etc.

INDICES: Germany, 102.60; etc.

INDICES: Tokyo, 102.60; etc.

INDICES: Australia, 102.60; etc.

INDICES: Brazil, 102.60; etc.

INDICES: Overseas Share Information, New York, etc.

INDICES: Overseas Share Information, London, etc.

INDICES: Overseas Share Information, Amsterdam, etc.

INDICES: Overseas Share Information, Tokyo, etc.

INDICES: Overseas Share Information, Australia, etc.

INDICES: Overseas Share Information, Brazil, etc.

INDICES: Overseas Share Information, Johannesburg, etc.

INDICES: Overseas Share Information, Stockholm, etc.

NEW YORK: IBM, 128.00; AT&T, 128.00; GE, 128.00; etc.

STANDARD AND POORS: S&P 500, 104.18; Industrial, 104.18; etc.

INDICES: Montreal, 102.60; Toronto, 102.60; etc.

INDICES: Johannesburg, 102.60; etc.

INDICES: Germany, 102.60; etc.

INDICES: Tokyo, 102.60; etc.

INDICES: Australia, 102.60; etc.

INDICES: Brazil, 102.60; etc.

Financial Times logo and publication information.

WORLD FOOD PRODUCTION AND RAW MATERIALS

World food output disappoints

ROME, Nov. 30. THE INCREASE in world food production is falling behind the rise in population, after good harvests in 1976 and last year. The UN Food and Agriculture Organisation (FAO) says that progress has been made in rice and other food crops, but that a widening gap between the Third World and industrialised countries. Edouard Saouma, FAO director-general, said at the organisation's conference that 'eliminary figures showed world production was likely to rise between 1 and 1.5 per cent this year, against an estimated population growth of nearly 3 per cent. Between 1970 and last year the rate of increase in food production in the developing countries, except the Middle East, was considerably below that of the world. World sugar production this year is expected to exceed last year's record 85m tonnes, but round 4m tonnes, the FAO says.

Japan plans to cut tariffs

TOKYO, Nov. 30. JAPAN PLANS to cut import tariffs on some agricultural products, Yoshitake Uchiumura, vice Minister of Agriculture, said here. Liberalisation will not be easy because Japan's food self-sufficiency is falling and rice growers have been asked by the government to diversify to other agricultural products because of a number of rice crops since 1970, he said. Mr. Uchiumura said the Ministry is studying which agricultural tariffs could be cut within the framework of a provision of GATT. Imports of agricultural products increased to \$17.6bn last year from \$8bn in 1972 and as a result the rate of food self-sufficiency had dropped to 70 per cent from 80 per cent in the 1960s, he said. In Geneva yesterday Japan's vice Minister of Agriculture, Mr. Tamiyama, said that the Ministry is studying which agricultural tariffs could be cut within the framework of a provision of GATT. Imports of agricultural products increased to \$17.6bn last year from \$8bn in 1972 and as a result the rate of food self-sufficiency had dropped to 70 per cent from 80 per cent in the 1960s, he said. In Geneva yesterday Japan's vice Minister of Agriculture, Mr. Tamiyama, said that the Ministry is studying which agricultural tariffs could be cut within the framework of a provision of GATT.

Paris market

The Paris Commodities Exchange is expected to work normally to-day despite a 24-hour strike against the Government's anti-inflation policy.

Britain's grain crop is record 17.1m. tonnes

BRITISH grain production has topped 17m tonnes for the first time ever. This year's bumper crop of 17.1m tonnes of only middling quality grain is 28 per cent up on last year and beats the previous record of 1974 by 600,000 tonnes, or 4 per cent, says the Home-Grown Grains Authority. Human and industrial use of grain in 1977-78 is expected to be slightly below last year's level and a significant reduction is expected in use for animal feed. But imports are expected to be sharply lower and exports should be at a high level. Total use of barley for feed is expected to increase 8 per cent to 8.75m tonnes with domestic barley usage rising 21 per cent to 6.55m tonnes. But less maize will be fed to animals. The HGCA says the low price of domestic feed grains has led to expectations of high exports of feed barley and to a much lesser extent, feed wheat. Exports of barley are forecast at 800,000 tonnes and exports of wheat at 100,000 tonnes. The HGCA says the low price of domestic feed grains has led to expectations of high exports of feed barley and to a much lesser extent, feed wheat. Exports of barley are forecast at 800,000 tonnes and exports of wheat at 100,000 tonnes.

Sorghum usage

The HGCA estimates that only 645,000 tonnes will be used in the present season against 2.55m in 1976-77. Sorghum usage is also expected to be substantially lower. The HGCA predicts a 28 per cent fall in cereal imports as a result of increased domestic production and lower demand. Total imports are forecast at 2.52m tonnes, 1.71m below 1976-77. Barley imports are expected to sink to 320,000 tonnes from 567,000 last year, oats to 35,000 tonnes (73,000) and sorghum to 75,000 tonnes (323,000). But

Ministry says 'no' to potato aid

Research during the same period this year shows that 'marginal' surplus has improved over the drought seasons in 1975 and last year, they are still running at an annual rate of only 85 kilos a head. Although all the figures appear to support the Board's contention that there should be only a 'marginal' surplus, prices stubbornly refuse to budge. There are fears about heavy 'dumping' in the winter by the French and other Common Market 'invaders', but for the time being the main depressing factor still appears to be the apparent lack of concern among growers about the quality of potatoes sent to market. The Board comments in its latest market report that 'only the best-presented samples move steadily'. Markets in general are oversupplied, and although some growers are reportedly carrying more than £30 a tonne, many are going home with almost £20 a tonne less than this.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS		COFFEE		SOYABEAN MEAL	
COPPER - Firm on the London Metal Exchange after an active trading day forward metal quoted at 288.50 had risen to 297.50. German selling, which was fairly well taken in, in the afternoon the price moved up to a high of 297.50 before settling at 297.50.	31.00	110.00	110.00	110.00	110.00
ALUMINIUM - Firm on the London Metal Exchange after an active trading day forward metal quoted at 188.50 had risen to 197.50. German selling, which was fairly well taken in, in the afternoon the price moved up to a high of 197.50 before settling at 197.50.	197.50	110.00	110.00	110.00	110.00
ZINC - Firm on the London Metal Exchange after an active trading day forward metal quoted at 118.50 had risen to 127.50. German selling, which was fairly well taken in, in the afternoon the price moved up to a high of 127.50 before settling at 127.50.	127.50	110.00	110.00	110.00	110.00
NICKEL - Firm on the London Metal Exchange after an active trading day forward metal quoted at 118.50 had risen to 127.50. German selling, which was fairly well taken in, in the afternoon the price moved up to a high of 127.50 before settling at 127.50.	127.50	110.00	110.00	110.00	110.00

FINANCIAL TIMES Commodities Appointments

On every Thursday, from 19th January 1978, look out for the Financial Times Commodities Appointments section - just part of our regular Thursday appointments column. For details of advertising in this new section contact: Steve Nevitt or Mike Hills on 01-248 8000, ext. 591 or 558.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

You can make money in commodities. That is one reason why investors in 31 different countries subscribe to our weekly commodities, metals and currencies service. Other reasons could be the detailed charts, or the leading indicators or the specific interpretations - just some of the reasons why our service pays for itself over and over again.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division, in the Matter of FIVEVILLE AND GARDNER LIMITED and in the Matter of The Companies Act 1968. NOTICE IS HEREBY GIVEN that a petition for the winding up of the above-named Company by the High Court of Justice was presented to the said Court by the petitioner on the 28th day of November 1977, and that the said Court has appointed the undersigned as liquidator of the said Company.

EDUCATIONAL

FRENCH INSTITUTE 10-Week Intensive Day Course in ORAL FRENCH commencing 9th January. Interviews from 8th to 14th December 1977. Details from 14 Cromwell Place, London SW7 2JR (SAB). Tel: 835 4311 (Ext. 45)

Isoglucose plant to close soon

AMSTERDAM, Nov. 30. PRODUCTION of maize-based isoglucose or high fructose syrup will be stopped at Koninklijke Scholten-Hoening NV's plant on January 1. The company has stopped building a 100,000 tonne capacity factory at Tilbury, England, and also shelved plans to expand in Holland following its failure to secure an EEC decision to put production levy on isoglucose. The company did not give the capacity of the plant at Koog Aan de Zaan, near Amsterdam, but industry sources put it at 20,000 tonnes a year. It is continuing legal action to reverse the EEC decision. To restart isoglucose production, should it obtain a ruling in its favour, would depend on the progress of the re-organisation it is carrying out. Reuter

London sugar prices up

By Our Commodities Staff FUTURES PRICES for sugar picked up again on the London market yesterday, providing further evidence that the trade believes it has seen the worst of the price crash. Major producers appear to have cleared their stores in preparation for the new International Sugar Agreement, due to come into force on January 1. The daily price four times was unchanged at £104 a tonne, but March and May prices rose by almost £2.50 each to close at £123.25 and £129.50 a tonne.

Farm loan interest reduced

By Our Commodities Staff MANY FARMERS will be paying less interest on their capital loans from to-day following a cut in the rates charged by the Agricultural Mortgage Corporation.

Tractor sales set to fall

By Christopher Parkes ONE OF Britain's leading farm tractor manufacturers expects a sharp fall in sales next year. Farmers' purchases are beginning to slip behind last year's boom levels. Mr. C. Tipidy, executive director of the Ford tractor division, said that last year British farmers spent much of their bumper profits from potatoes and other crops on new machinery, including 38,000 tractors. But, he said, purchases next year would probably slip back to more 'normal' levels around

U.K. FARM SPENDING Machinery makers feel the pinch

BY DAVID RICHARDSON want and they are faced with paying a still sizeable tax bill in a season of diminished returns. The real sufferers are farm machinery manufacturers and dealers. In order to cope with increased demand during the good years, from farmers who had to spend within their financial year in order to benefit from tax savings, many have employed extra staff and extended their workshops. Now that trade has ground almost to a halt in some areas they are left with too much labour and too little work. Worst hit are the dealers who remained loyal to British manufacturers through their labour troubles. Most could have sold two or three times the quantity of tackle during the boom if they could have secured delivery. Instead, the U.K. factories, which were unable to produce quickly enough were forced to impose quotas on dealers of a fraction of their potential sales. Meanwhile frustrated farmers turned to imported machines from Europe, the U.S. and from behind the Iron Curtain. The fall in sales is affecting loyal U.K. dealers as well as others and they are all having trouble selling the stocks of machines which are beginning to build up in their showrooms. Manufacturers who always put on a show of confidence to launch the new models of the year - usually by the end of the year - will doubtless do the same next week. Figures show that exports for the first eight months of this year were up 23 per cent, at £244m on the year. It is a creditable performance. But since the price of many machines has risen by at least home-some of them on bankers' orders.

By much more, it is clear that there has been virtually no increase in the number of units exported. Farm machinery imports were up 44 per cent, to £234m, continuing a trend which looks increasingly dangerous indeed for British manufacturers. Prospects for a revival of home sales in the near future are poor. On-farm prices of practically every commodity are down or virtually stable. Potatoes are manifestly losing a great deal of money this year; sugar beet are in modest profit after three disastrous but farming a probable price freeze next year; grains, many of poor quality after a difficult harvest, are selling at intervention price or below; and vegetables are a drug on the market. Livestock farmers are little better with the infamous MCA and green pound system continuing to undermine the profitability of beef and pigs. Sheep have left useful margins, but that is of little consolation to the machinery men as sheep need scant mechanisation.

The ultimate result of the EEC price fixing, which will not be announced until March or April, seems certain to fall far short of matching inflation in farm costs. Although EEC prices will probably be just as packed as usual next week, few farmers will be 'walking round with cheque books ready, eager to spend' - the words used by many salesmen to describe the state of mind of the farmer. I suspect many farmers will leave their cheque books at home - some of them on bankers' orders.

PRICE CHANGES

Commodity	Unit	Price
Aluminium	100 lb	188.50
Copper	100 lb	297.50
Zinc	100 lb	127.50
Nickel	100 lb	127.50
Iron	100 lb	110.00
Steel	100 lb	110.00
Lead	100 lb	110.00
Gold	100 lb	110.00
Silver	100 lb	110.00
Platinum	100 lb	110.00
Palladium	100 lb	110.00
Rhodium	100 lb	110.00
Iridium	100 lb	110.00
Osmium	100 lb	110.00
Vanadium	100 lb	110.00
Chromium	100 lb	110.00
Manganese	100 lb	110.00
Titanium	100 lb	110.00
Antimony	100 lb	110.00
Mercury	100 lb	110.00
Uranium	100 lb	110.00
Thorium	100 lb	110.00
Plutonium	100 lb	110.00
Neptunium	100 lb	110.00
Protactinium	100 lb	110.00
Actinium	100 lb	110.00
Francium	100 lb	110.00
Radium	100 lb	110.00
Polonium	100 lb	110.00
Astatine	100 lb	110.00
Tellurium	100 lb	110.00
Selenium	100 lb	110.00
Tungsten	100 lb	110.00
Molybdenum	100 lb	110.00
Cadmium	100 lb	110.00
Barium	100 lb	110.00
Strontium	100 lb	110.00
Yttrium	100 lb	110.00
Zirconium	100 lb	110.00
Niobium	100 lb	110.00
Manganese	100 lb	110.00
Cobalt	100 lb	110.00
Nickel	100 lb	110.00
Copper	100 lb	110.00
Zinc	100 lb	110.00
Aluminium	100 lb	110.00
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Molybdenum	100 lb	110.00
Cadmium	100 lb	110.00
Barium	100 lb	110.00
Strontium	100 lb	1

STOCK EXCHANGE REPORT

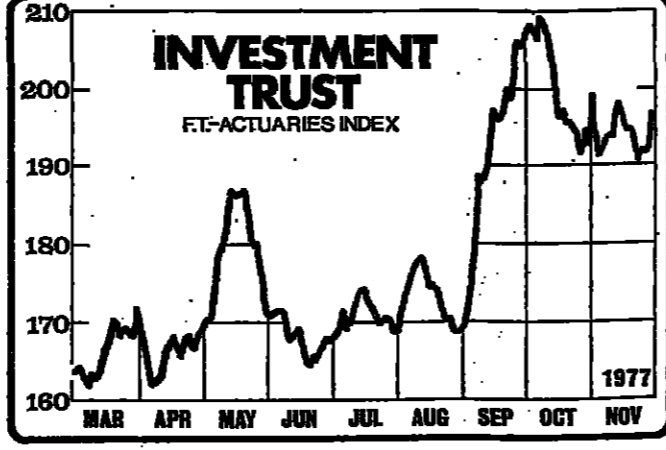
Short Gilts feature on signal for unchanged MLR
Share index up 6.9 for two-day rally of 16.5 at 481.0

Account Dealing Dates
Optimism
First Declares Last Account
Dealings Dates Dec 11-15

by the more speculative element
Losses were quickly erased
Development which sympathetically

dearer at 200p and United
added 4 at 280p and Barratt
Developments 3 at 187p

FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values.



HIGHS AND LOWS
Table showing high and low prices for various stock categories.

OPTIONS TRADED
Table listing various options and their trading details.

NEW HIGHS AND LOWS FOR 1977
Table listing new high and low prices for various securities in 1977.

As on Tuesday, business was
extremely thin and official
markings were again at a five-month

Easier at first, leading Stores
rallied smartly in thin trading
close at the day's best

MEPC rise
A nervous market at 111p in
front of the preliminary results

Losses throughout the market
in the early stages were
continuing to reflect fears

British Petroleum were quietly
firm in front of today's third
quarter figures, ending a higher

Financial Times had firm
features in Fitzroy Investments
which rose 2 to 8p following the

Events in British Funds were
quite dramatic with quotations
swinging in a radius of some 11

Buyers were again showing
interest in the Motor sections
Speculative demand pushed KRP

Shipping made useful progress
in thin trading. Bid hopes
continued to bolster Furness Withy,

CYCLONE DEVASTATION IN INDIA
We need your help
An appeal has been made for immediate aid to the victims of the Indian cyclone which devastated an area of 20,000 square miles.

RECENT ISSUES
Table listing recent stock issues with columns for issue type, amount, and price.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

APOLLO
THE WORLD'S LEADING MAGAZINE OF ARTS AND ANTIQUES
Published Monthly price £1.50 Annual Subscription £21.00 (Inland)

ACTIVE STOCKS
Table listing active stocks with columns for stock name, denomination, closing price, and change.

FIXED INTEREST PRICE INDICES
Table listing fixed interest price indices for British Government and other categories.

AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including Abbey Unit Tr. Mgrs. Ltd., Allied Hambro Group, Arbutnot Securities Ltd., Barclays Unit Mgrs. Ltd., and various international and domestic funds.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave. London EC3V 8LU. Tel. 01-283 1101
Index Guide as at 22nd November, 1977 (Base 100 at 14.1.77).

CORAL INDEX: Close 477.483

INSURANCE BASE RATES
Property Growth 6 1/2%
Caravan Assurance 6 1/2%
* Address shown under Insurance and Property Bond Table.

BASE LENDING RATES table listing various banks and their interest rates for different terms and types of loans.

LEADERS AND LAGGARDS

Table showing percentage changes in share prices for various companies, categorized into leaders and laggards.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including Arbutnot Securities (C.I.) Limited, Fidelity Mgt. & Res. (Bma) Ltd., and various international investment vehicles.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life Assurance Co. Ltd., Credit & Commerce Insurance, and others.

NOTES
Please do not include a premium, except where indicated, and are in some cases otherwise indicated.



Fire officers appeal to Prime Minister

BY ALAN PIKE, LABOUR CORRESPONDENT

FIRE OFFICERS yesterday appealed to the Prime Minister to seek an urgent solution to the nation's firemen's strike...

Carter advised to under-pin steel industry

BY JOHN WYLES

NEW YORK, Nov. 30.

SWEEPING proposals aimed at strengthening the U.S. steel industry's financial base were offered...

Growth continues at Rothmans

THE LEX COLUMN

Last week the Bank of England was relying on "market forces" to set the level of Minimum Lending Rate...

Rothmans Int.

The tobacco industry's gamble with substitute materials has proved a costly disaster...

MEPC

The preliminary figures show that MEPC returned to financial stability in 1976-77...

More closures

Closures in the steel industry and demands for protection against imports prompted the setting up of the task force...

Dumping

The main tool for achieving this would be a reference price system which would lead to Government complaints about dumping...

Mirror to-morrow as dispute ends

BY PAULINE CLARK, LABOUR STAFF

LONDON editions of the Daily Mirror are expected to go back on the news stands tomorrow...

Continued from Page 1

Vorster heads for victory

University singing a psalm. There was a heavy mood in the constituency...

Continued from Page 1

Shipyard men may resist order switch

night: "Shipbuilding has always been 'hunger or bust'." Swan Hunter has to back the policy for fear of sanctions...

Road hauliers drop scale of charges

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE ROAD Haulage Association yesterday became the first major trade association in the service sector publicly to drop its scale of recommended charges...

Bank steps in to peg lending rate

BY MICHAEL BLANDIN

THE BANK OF ENGLAND yesterday stepped in to prevent its minimum lending rate from rising again...

Breaking up

The restrictive practices legislation, which when it was first applied to the supply of goods in 1958...

Pay problem

Last month the whole road haulage industry was referred to the Price Commission by Mr. Roy Hattersley...

Business Centres

Table with columns for City, Day, and Index values for various business centers.

Holiday Resorts

Table with columns for City, Day, and Index values for various holiday resorts.

Advertisement for Morgan Guaranty Trust Company of New York, featuring an image of Catherine House, EC2 office building.

Handwritten signature or mark at the bottom of the page.